Annual and sustainability Report 2024

PowerCell Group

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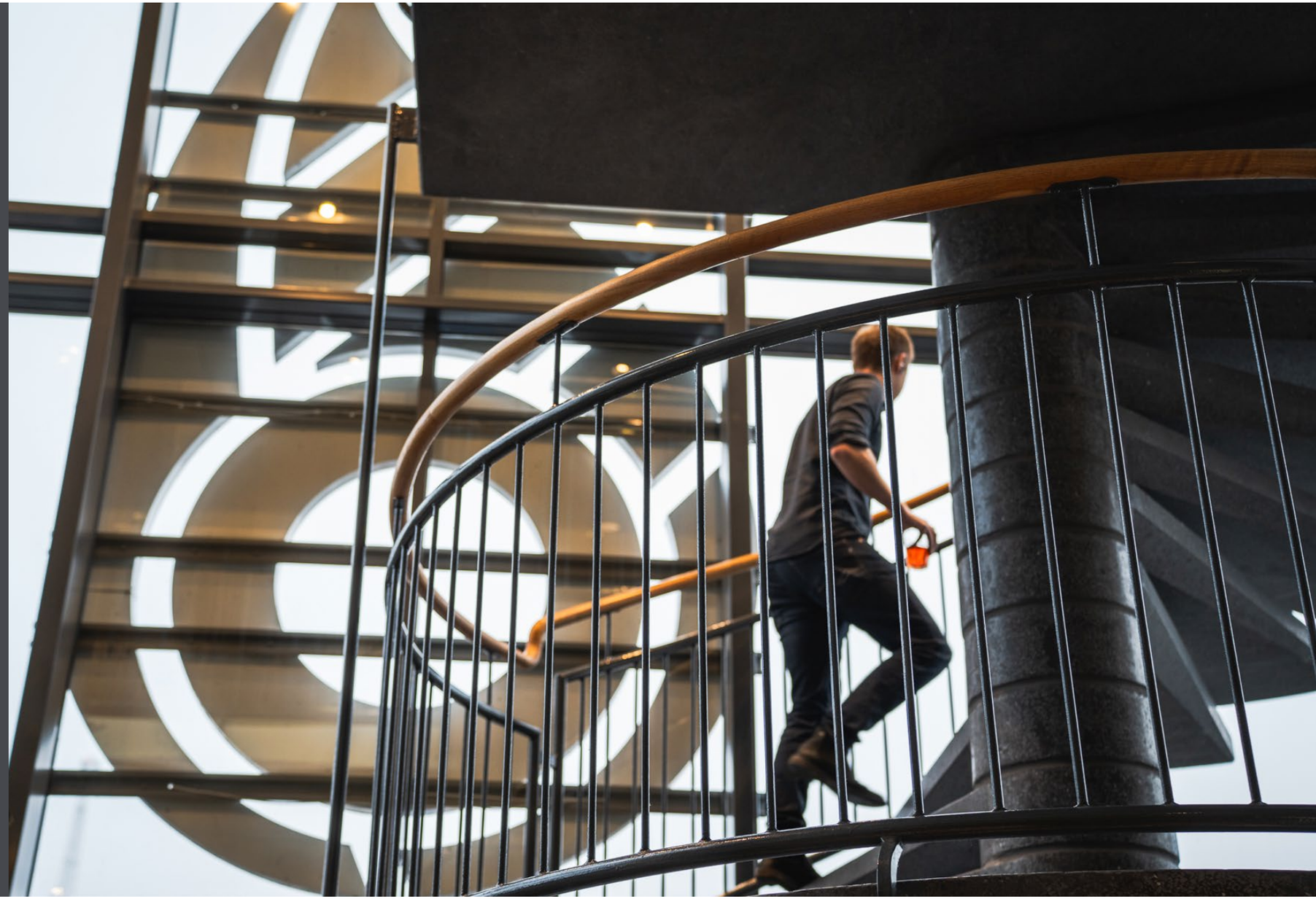


Significant events in 2024

Feb.

We become part of the EU's H2Marine project, which aims to develop the most powerful marine fuel cells. This project is allowing us to enhance our existing fuel cell platform in a segment in which we are at the forefront thanks to the design, development, testing and distribution of PEM fuel cell stacks generating 250–300 kW of electricity.

Mar.

We partner with Hitachi Energy, the Port of Gothenburg, Skanska, Volvo Group and Linde Gas to enable sustainable power generation and demonstrate the next step towards greener port operations.

PowerCell, together with Hitachi Energy, has developed a new product called HyFlex™. This product is a flexible container solution that can be used in a wide range of applications for emission-free power generation.

May

We sign an order for two 100 kW marine fuel cell systems from O.S. Energy for the Transship II sustainable ship project. This order represents a significant expansion of PowerCell's offering into the smaller commercial and leisure vessel segment, including both retrofits and new builds, and demonstrates that the technology is ready for a wider market.

Jun.

PowerCell launches Marine System 225, an advancement of our marine product offering, a powerful yet compact and advanced marine power generation system that builds on the success of Marine System 200. Designed with our extensively validated fuel cell stack platform, Marine System 225 represents a significant upgrade for maritime applications.

PowerCell signs a loan of SEK 50 million with Nordea to fund the continued expansion. This loan is partly guaranteed by the European Investment Fund's InvestEU Sustainability Guarantee.

Jul.

We sign an order for the supply of fuel cell systems to a leading European OEM for propulsion systems for the marine cruise industry. This order is worth SEK 16.5 million, and delivery will take place in the first half of 2025. This is the first commercial order for the newly introduced Marine System 225.

Sep.

We receive an Approval in Principle (AiP) from Den Norske Veritas (DNV) for a new product solution known as Methanol-to-Power. This solution features a fully integrated methanol reformer from RIX Industries in combination with the newly launched PowerCell Marine System 225.

We secure one of the world's largest orders ever for marine fuel cell systems, partnering with a leading Italian marine OEM. The order is worth around SEK 165 million. Deliveries are set to start in mid-2025 and will be completed by the end of the year.

Oct.

We conclude a contract with an Australian aircraft manufacturer for a concept study for a vertical take-off and landing (VTOL) aircraft with minimal emissions.

Anders Düring is recruited as CFO. Anders will take up his position as PowerCell's CFO on 1 December 2024. His most recent position was as CFO at Serneke.

Signing of a new Memorandum of Understanding (MoU) with ZeroAvia for collaboration on next-generation fuel cell technologies.

Nov.

Participation in the H2MAC project, a four-year, EU-funded initiative aimed at researching and developing fuel cells capable of withstanding harsh conditions in the construction and mining sectors, including exposure to dust and heavy vibration.

Dec.

We conduct a directed share issue, corresponding to around ten percent of the total number of shares, aimed at Swedish and international institutional investors. This new share issue means that PowerCell will receive around SEK 190 million before issue costs.

We receive a follow-up order for Marine System 225 from a leading European marine OEM for delivery by the end of 2025. This order is worth around SEK 41.8 million and reinforces PowerCell's position in the marine sector.

PowerCell in brief

Vision

To be a place where pioneering minds unite to bring bold and seemingly impossible ambitions to life.

Mission

We drive the transition to zero-emission energy solutions through innovation, individual brilliance and collaboration.

Purpose

To make renewable energy accessible to everyone, everywhere.

About PowerCell Group

PowerCell develops and produces fuel cell stacks and fuel cell systems with a uniquely high power density, for applications for customers in the Aviation, Marine, Power Generation, Off-road and On-road segments.

PowerCell's products are powered by pure or reformed hydrogen and generate electricity and heat without any other emissions than water. Our technology combines high power with compact design, helping to increase energy efficiency and significantly reduce emissions in applications compared to fossil fuel use.

We have an extensive IP portfolio dating back over 28 years of innovation since the industrial spin-out from the Volvo Group.

PowerCell has 147 employees, headquarters in Gothenburg and operations in four countries. The vast majority of customers are based in Europe and North America.

We are a signatory to the UN Global Compact and aim to reduce our Scope 1 and Scope 2 emissions by 50 percent by 2030.

We are dedicated to supporting our customers as they transition to emission-free operations. As a leader in hydrogen-electric solutions, we are helping to create a more sustainable, emission-free world.

PowerCell is listed on Nasdaq Stockholm.

Attractive customer segments

Our customer segments are Aviation, Marine, Power Generation, Off-Road and On-Road. Our strategy for prioritising specific customer segments is related to the maturity of the segments and the characteristics of the products in use in many cases, electrification using fuel cells has little impact on customers' operational use of the products. This is because our hydrogen-electric solutions offer high output, the possibility of scalability and compact installations.

Marine

The Marine segment has grown vigorously in 2024, and PowerCell maintains a strong position thanks to a number of major commercial customer projects. In the shipping industry, regulations limiting emissions are becoming more stringent and driving demand for hydrogen-electric solutions.

Aviation

Finding solutions to reduce carbon emissions in the aviation industry has been difficult to date. Hydrogen-electric solutions could be the key to zero-emission aviation, and PowerCell is a leader in this market segment.

Power Generation

PowerCell offers scalable hydrogen-electric systems for power generation in energy-intensive solutions such as backup power plants for hospitals, offices and construction sites.

Off-road

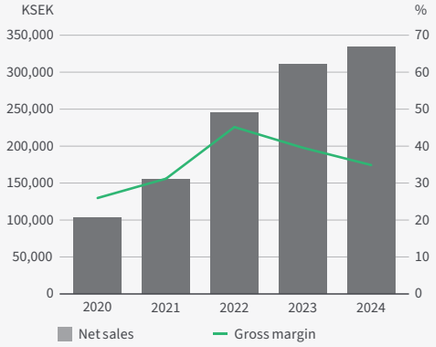
Our hydrogen-electric solutions enable the electrification of commercial vehicles such as agricultural vehicles that consume large amounts of energy, with minimal impact on driving cycles or refuelling times compared to the internal combustion engines of today.

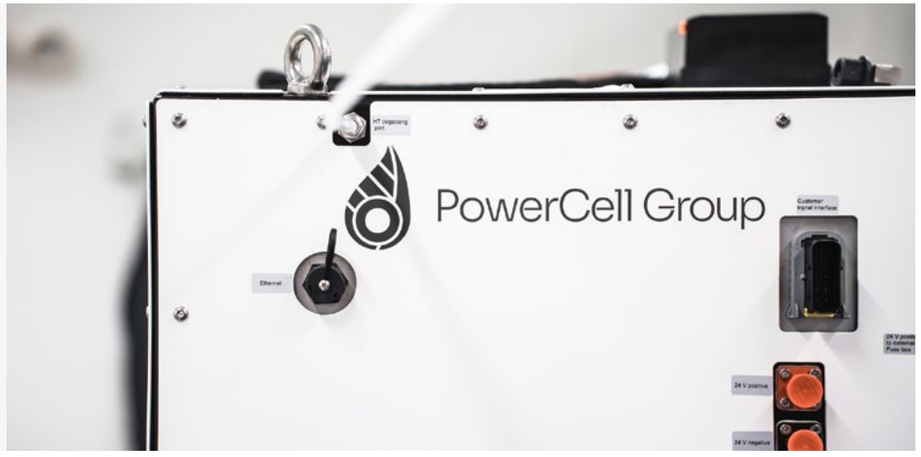
On-road

The automotive industry can benefit from electrification with our fuel cells, offering refuelling times, driving characteristics, range and load capacity that are not significantly different from fossil fuel-powered vehicles. We are reaching out to this market segment through Robert Bosch GmbH, our licensing partner.

Five-year summary

Amounts in KSEK unless otherwise stated	2024	2023	2022	2021	2020
Net sales	334,278	310,287	244,691	159,757	103,528
Gross profit	116,171	124,012	113,023	49,034	25,780
Gross margin (%)	34.8	40.0	46.2	30.7	24.9
Operating profit/loss before items affecting comparability	–83,743	–66,518	–75,019	–80,475	–97,749
Operating income	–53,743	–72,575	–75,019	–81,731	–103,386
Operating cash flow	–18,570	–95,687	–120,506	–66,338	–3,863
Equity/assets ratio (%)	62.5	64.8	70.2	73.6	81.0
Earnings per share (SEK)	–1.52	–1.57	–1.09	–1.50	–2.19





Balanced order book generates stable growth and improved margins

The strong order intake in the fourth quarter has come about due to strengthened markets, with growing demand from OEM customers and shorter lead times between ordering and delivery. If the second half of 2024 indicates the future, our preparations with updated product portfolios for different segments and strategic positioning will be a resource-efficient and adaptive industrial setup, making us well-positioned to capture and leverage more market-driven growth. Overall, this places us in a good position from which to benefit from more commercially driven growth.

Net sales during the year amounted to SEK 334.3 million (310.2), up 8 percent on the previous year. This development was mainly due to an increase in sales to customers in the marine sector. Moreover, increased royalties from the contract with Robert Bosch GmbH also make a positive contribution. The gross margin amounted to 34.8 percent (40.0). The negative development is mainly explained by a change in the product mix, with lower service sales and larger projects on a percentage-of-completion basis.

Operating profit amounted to SEK –53.7 million (–72.6), which clearly shows the financial leverage that comes with increased sales. This is particularly apparent in the fourth quarter, when we achieved a positive operating profit.

Operating cash flow totalled SEK –18.6 million (–95.7). This development was mainly due to increased sales and an improvement in working capital. Total cash flow during the year was strongly influenced by the targeted issue that took place at the end of the year.

Strengthened positions in all customer segments

As we summarise the year, we note strong development in virtually all customer segments. The strongest performance was in the Marine segment, largely due to the successful launch of the new Marine System 225 fuel cell system. This is a compact, powerful and advanced energy system that builds on the successes of its predecessor, Marine System 200. Market interest is high, and in total orders were placed during the year for over 75 systems from various customers, intended for commercial use and with deliveries before the end of 2025. The single largest order was placed by a leading Italian marine OEM, which will primarily be using the systems to run the internal power supply on board cruise ships. The order was worth about SEK 165 million, making it one of the world's largest orders to date for marine fuel cell systems.

During the year, we have been working on production of previous orders in parallel with new orders. For instance, we have started series production of the systems ordered by Norwegian integrator SEAM. These systems are to be used on two vessels that will operate on one of Norway's longest ferry routes. Delivery and installation will take place in 2025.

Alongside our progress in Marine, we also strengthened our position in Aviation during the year. Among the more significant events was a new Memorandum of Understanding with our partner ZeroAvia, which includes the development of the powerful new heavy-duty fuel cell stack (Heavy Duty Stack – HDS) optimised for high energy density and designed to be modular between 300 kW and 1 MW. This allows for large and powerful installations while reducing costs, weight and size. Working with ZeroAvia in the aviation segment provides a good combination of working with the most challenging technology requirements and preparing the technology for certification with the highest safety, robustness and quality standards. For PowerCell, this generates value as the Next Generation Heavy Duty Fuel Cell Stack is also suitable for applications in all of the Company's segments.

> "As we summarise the year, we note strong development in virtually all customer segments. The strongest performance was in the Marine segment.

AS9100D certification, a globally recognised quality standard for the aerospace industry, was also obtained in early 2025. This achievement underlines our commitment to delivering high-quality fuel cell stacks to the aerospace industry and further strengthens the company's position as a reliable industry partner. Developing hydrogen-electric solutions for the aerospace industry requires the highest standards of quality and safety, and this certification demonstrates our ability to meet and even exceed these requirements.

Several exciting collaborations
Establishing a technology providing an alternative to traditional internal combustion engines takes time and requires cooperation between the stakeholders operating in the same value chain, customers, system providers, integrators and fuel suppliers. That is why we are also continuing to participate in more exploratory projects aimed at adapting and further developing our existing technology platform based on specific needs, in parallel with the move towards volume orders and commercial applications.

Our cooperation with Hitachi Energy is a good example. Together we have developed HyFlex™, a flexible container-based plug-and-play solution that can be used for power generation in a wide range of applications. Another example is the Methanol-to-Power solution that we developed by integrating a methanol reformer into Marine System 225. This enables methanol to be converted into hydrogen, which can then be used as fuel in the system. As methanol is already available at most of the world's major ports, this dramatically simplifies the storage and distribution of the fuel. This project is a good example of how we work with others to drive innovation that facilitates customers' energy transition.

Other new collaborative projects include the EU projects H2Marine and H2MAC, which aim to develop innovative and robust hydrogen solutions for marine installations and the construction and mining sectors respectively. In both projects, we are contributing technical know-how and our tried and tested fuel cell technology.

Strong drivers of development
Looking at the fuel cell technology market as a whole, macroeconomic and financing challenges negatively impacted several major projects during the year. However, investments and activities in the energy transition are continuing to grow and the strong underlying drivers remain: the world still needs to transform the way in which we produce and consume energy. The consequences of climate change are becoming increasingly clear, and there is no doubt that the world is facing major challenges. 2024 was the warmest year on record and the first year with an average temperature 1.5 degrees above pre-industrial levels. Counteracting this trend and limiting its consequences requires enormous and immediate action in a wide range of areas, not least power and energy production. This is where fuel cell technology can play an important role.

> "Building on the current technology platform and focusing on existing customer segments, the aim is to ensure continued profitable growth.

In parallel with the growing demand for clean energy, the technology has also matured and proven its worth in more and more commercial contexts. The emphasis is still on niche applications, but the number of niches is growing and the pace of development is accelerating. All in all, this means that the market is being driven from a number of different directions, which creates a good foundation for the future.

Focus ahead
As a new year begins, we are building on a leading market position, a strong technology platform, a stable financial position and a scalable business model that enables continued growth without major capital-intensive investments. We also have a clear strategy with regard to how we want to develop going forward.

Building on the current technology platform and focusing on existing customer segments, the aim is to ensure continued profitable growth by supporting our customers, potential and existing, with solutions that strengthen their long-term competitiveness. As our installed base grows, we will also continue to develop and strengthen our aftermarket business.

We will continue to focus heavily on ensuring scalability in everything we do. We have a leading technology platform that we will now be building on. In terms of technology and product development, we will continue to tailor customer-specific solutions while working from a standardised base. By combining external stack production with internal system assembly capacity, we limit the need for investments in production capacity – thereby allowing us to grow with efficient use of capital.

However, none of this is possible without committed staff. So I would like to conclude by expressing my appreciation for the commitment that has characterised – and continues to characterise – the work of the entire organisation. We operate in a rapidly changing market, where the ability to combine long-term vision with agility is crucial to success. What we have achieved together over the past year bodes well as we now look to the future.

Gothenburg, March 2025

Richard Berkling
CEO

Our strategy

Our strategy for growth is simple: to increase the number of installations and the value per installation. We adapt to changing market conditions, responding to emerging opportunities and risks while remaining committed to enabling a net-zero future. By focusing on applications where direct electrification or batteries are complex, expensive or impractical, we serve a wide range of industries through a standardised technology platform, maintaining an optimal balance of adaptability and efficiency every step of the way.

Objectives

To achieve profitable growth with our current technology portfolio and existing industrial footprint.

To make the energy transition faster, safer, simpler and more profitable for our customers.

To become the hydrogen-electric industry's leading enabler of the net-zero future.

Strategic framework

OEM-driven sales
Focus on commercial projects that present strong potential for volume orders and series production.

OEMs often set high technical and performance standards, prompting us to continually improve our capabilities. Integrating our solutions directly into OEM product lines encourages long-term collaboration and customer loyalty.

Industrial innovation
Creating value for our customers – with capital efficiency.

Through industrialised innovation – combining a high-quality, standardised technology platform with advanced customisation capabilities – we deliver the best of both worlds: tailored solutions that cost the same as standardised components, and all with capital efficiency in mind.

Scalability in everything we do
Outstanding resource efficiency thanks to a scalable production setup

Our production setup, combining in-house system assembly with external fuel cell stack production, will allow us to grow with our customers at a low break-even point, supporting an offering with a competitive total cost of ownership for our customers.

Our strengths

Superior value proposition with a holistic system design and best-in-class performance
- A complete services and hardware offering
- World-leading performance
- An IP portfolio covering components, stacks, systems and manufacturing

Well-positioned to capture and leverage more market-driven growth
- Proven track record of leveraged growth with a clear path towards profitability, while investing in industrialisation, new product platforms, next-generation technologies and leading capabilities.

Collaborative culture bolstered by extensive expertise and applied knowledge
- Diverse organisation made up of people of different ages, genders, nationalities and areas of expertise.
- Mix of brave innovators and thoughtful engineers
- Capable leaders and employees who are willing to accept the challenge of breaking new ground.

Proven track record of customer installations and blue-chip partnerships
- Tried and tested commercial installations
- Key partnerships and engagements, including Bosch, Hitachi Energy, Clean Aviation and H2 Marine
- Clearly demonstrable customer benefits

Solid and well-invested foundation in place to drive our strategy for growth
- Industry-leading performance with a well-funded technical platform prepared for next-generation releases
- Robust, scalable and flexible infrastructure supporting current and future innovations
- Committed owners and strong management

Strong, scalable production setup
- In-house industrial production capabilities and series production through partnership with Bosch
- Scalable production with ability to increase capacity with limited investment

Growing market for sustainable power generation

The global climate crisis is a strong underlying factor for the increasing demand for sustainable power generation solutions. That said, global energy demand is increasing, highlighting the need for stable, predictable and sustainable energy supplies. The transition to a zero-emission society must be managed at a time when global energy demand is growing rapidly, driven by electrification, digitalisation and population growth. According to the International Energy Agency (IEA), global electricity demand is expected to almost triple from current levels to 60,000 TWh by 2050.

We note continued strong engagement on climate issues globally, with supranational institutions, nations and businesses alike defining targets and strategies to achieve net zero emissions. The share of companies that have set Science Based Targets now accounts for 39% of the total market value of all listed companies globally, according to the SBTI monitoring report for 2023, and most countries now have climate goals that aim to contribute to the goals of the Paris Agreement. In many national climate action plans, hydrogen plays a key role in the transition of sectors that are difficult to electrify, such as heavy industry, shipping and aviation.

However, hydrogen has the potential to change the global energy landscape by reducing dependence on fossil fuel-rich states and reshaping energy trade. Unlike fossil fuels, hydrogen can be produced domestically in many regions, strengthening energy self-sufficiency and resilience. As green hydrogen – produced with renewable energy – becomes more scalable and cost-effective, countries with abundant wind and solar resources could become new energy exporters. This will diversify global energy supplies and reduce dependence on traditional oil and gas producers. This change will strengthen energy security by making energy supply less vulnerable to geopolitical tensions, supply disruptions and price volatility.

Ultimately, a hydrogen economy promotes a cleaner, more diversified and secure global energy system, reducing the economic and political risks of fossil fuels.

Hydrogen and hydrogen-electric solutions play an important role in energy supply and the transition to a zero-emission society. As many companies aim to reach large emissions reductions by 2030, they need to act now if they are to transform their operations. This is driving demand for hydrogen-electric solutions, which is why we are seeing an acceleration in the number of hydrogen-electric projects for commercial use. Since customer applications powered by fuel cells such as PowerCell products emit only water and heat, emissions of NOx, SOx, volatile organic compounds (VOCs) and particulate matter can also be greatly reduced.

Different ways to produce hydrogen

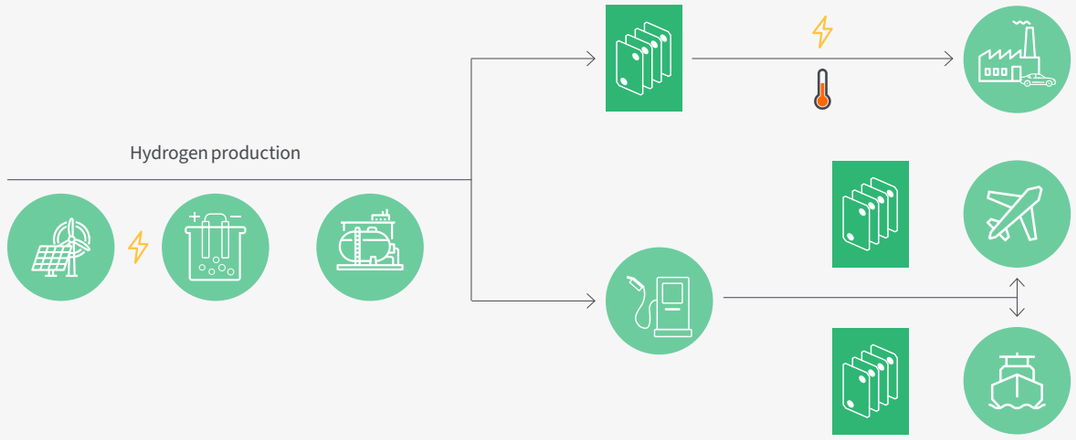
CO2 and other emissions from hydrogen depend largely on how the hydrogen is produced. Green hydrogen is produced by means of a process where water is split into hydrogen and oxygen using electrolysis fuelled by renewable energy, such as wind or solar power. Green hydrogen is very clean as it produces no direct carbon emissions.

Pink hydrogen is also produced by electrolysis of water, but the process is fuelled by electricity generated by nuclear power, which means that emissions of climate-changing gases are low.

Blue hydrogen is produced from natural gas using technology that captures and stores the majority of the carbon emissions from the process. This technology is cleaner than traditional methods, even though it is based on fossil fuels.

Grey hydrogen is created from natural gas or coal, without capturing carbon emissions. This method is the most common but results in carbon emissions to the atmosphere. However, life cycle emissions from the use of grey hydrogen can be significantly lower compared to energy use from other fossil fuels. For instance, the EU estimates in its hydrogen strategy that a car powered by fuel cells using grey hydrogen produces 45 percent less carbon emissions than an equivalent diesel car.

Save the sunshine for a rainy day



Green hydrogen through renewable energy

The use of renewable energy sources such as solar and wind power is accelerating, stimulating the emergence of the hydrogen industry. Volatility and unpredictable production due to weather are the disadvantages of these renewable energy sources. Production of green hydrogen through electrolysis could be one way of harnessing energy from renewable sources. This energy can then be stored to produce emission-free, sustainable power at a later date, locally or elsewhere.

Hydrogen can also be produced by reforming ammonia or methanol, which is easy and cost-effective to transport. This is an important option for shipping, for example, as ammonia or methanol is available at many of the world's ports.

Governmental and supranational initiatives driving the hydrogen market

Legislation is being developed to reduce the use of fossil fuels at both supranational and national levels, while incentives are being introduced to accelerate new technologies. Under the Biden administration, the energy transition in the US was accelerated through initiatives such as the Inflation Reduction Act and the Infrastructure Investment and Jobs Act. In 2024, this laid the foundation for the expansion of the hydrogen economy in the US. In Asia, development was also driven by China, Japan, South Korea and India.

The EU launched its 2020 hydrogen strategy as part of its efforts to achieve a climate-neutral Europe by promoting investment in the industry. Hydrogen is viewed as a prerequisite for reaching the EU's target of a 55 percent reduction in greenhouse gas emissions by 2030 and net zero emissions by 2050. In the Draghi report on Europe's future competitiveness, which was published in September 2024, former ECB President Mario Draghi highlights hydrogen as an important technology for the EU's green transition and industrial leadership. This report emphasises the key role of hydrogen in decarbonising various sectors and ensuring Europe's industrial competitiveness. To support this development, the EU has launched the European Green Deal, the "Fit for 55" package and the REPowerEU plan and announced the launch of the Hydrogen Bank. The European Clean Hydrogen Alliance

supports the large-scale deployment of clean hydrogen technologies by 2030. This will be achieved by bringing together the production of renewable hydrogen and low-carbon hydrogen and demand in industry and other sectors with the distribution of hydrogen. The Alliance aims to promote investment and stimulate the deployment of clean hydrogen production and use.

The number of projects in the hydrogen market is growing

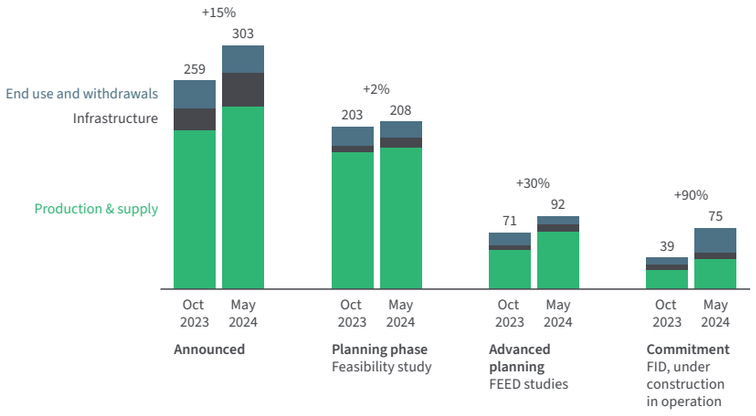
According to a report entitled "Hydrogen Insights December 2024" by the Hydrogen Council and McKinsey & Company, the number of hydrogen projects is growing worldwide. The number of low-carbon hydrogen production projects that have reached Final Investment Decision (FID) has increased sharply, from 102 projects in 2020 representing around USD 10 billion in committed investments, to 434 projects in 2024 representing around USD 75 billion. This represents an increase of 650 percent in four years.

In the US, the percentage of projects reaching FID has doubled, from less than 10 percent in 2020 to more than 20 percent in 2024. Europe has announced the most projects, and there is strong growth in Asia and Latin America as well.

According to the Hydrogen Insights report, companies have announced project proposals that could provide up to around 48 million tonnes of hydrogen by 2030. 75 percent of the announced volumes by 2030 are for green hydrogen, produced from renewable energy, while the remaining projects are for blue hydrogen, primarily produced with carbon capture and storage.

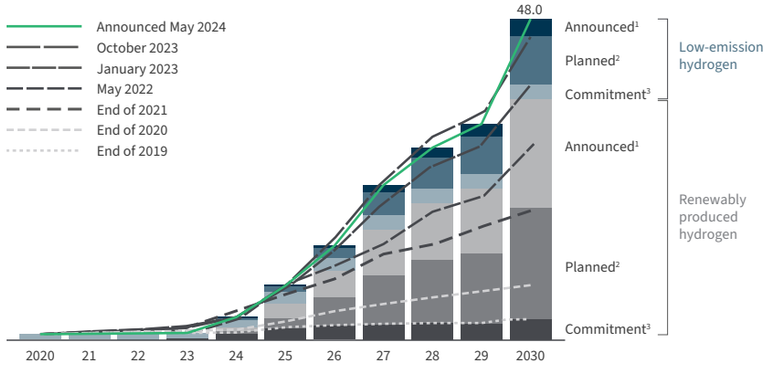
Approved investments by project status

Direct hydrogen investments by 2030, USD billion. As at October 2024.



Declared production volume of green hydrogen

Cumulative production capacity, million tonnes per year. As at October 2024.



USD 370
in the planning phase and beyond (compared to USD 310bn in previous publication)

75%
of investments are supply-side oriented (in line with previous trend)

>50%
increase in committed capacity in 2030 (4.6 million tonnes per year, compared to 3 million tonnes per year in October 2023)

65%
Percentage of capacity in the top three markets (Europe, North America, Latin America)

+21
Additional capacity (low-carbon and renewable) in operation after 2030

Marine

Strong demand for zero-emission solutions for shipping

In 2024, we saw an increasing demand for fuel cell solutions in the marine segment. This development is driven by both voluntary commitments from companies and regulations aimed at reducing emissions from shipping. During the year, PowerCell secured one of the world's largest orders ever for marine fuel cell systems, partnering with a leading Italian marine OEM for installation on commercial cruise ships. Together with previous large marine orders, this demonstrates that PowerCell is the leading supplier of hydrogen-electric solutions to this segment.

Global shipping has been facing stricter emission requirements for some time now. These requirements have been issued by both national governments and supranational authorities, driving market growth for zero-emission solutions. At PowerCell, we recognise that our technology for hydrogen-electric solutions can enable emission-free shipping. Hydrogen-electric solutions are efficient because the energy density of hydrogen is high, and fuel cell systems can be packaged in a manner that provides high power in a relatively small space. The customer's powertrain aboard the ship can also be supplemented with battery-electric installations for limited manoeuvres during short-term use, an approach known as hybridisation. A hybridisation installation, in combination with fuel cells, can provide enough power for a completely emission-free run even on longer routes.

Ocean-going vessels can also be complemented with a traditional powertrain for very long routes and a fuel cell solution for navigation in port and sensitive coastal waterways with no noise or emissions.

Significant commercial order from Italian marine OEM

During the year, PowerCell secured one of the world's largest orders ever for marine fuel cell systems, partnering with a leading Italian marine OEM. The order is in three parts and comprises a total of 56 Marine System 225, the majority of which will be installed aboard commercial cruise ships. The order is worth around SEK 165 million. The fuel cell systems will be used for a ship's internal power supply of more than 6.3 MW. Additionally, a 3.2 MW marine power solution for an internal test bed and a 3.2 MW power solution for an additional ship installation are being built.

This order represents a significant milestone in reducing carbon emissions from the marine industry, and the installation aboard the vessel is one of the world's largest marine fuel cell systems to date. PowerCell is aiming to deliver a fuel cell solution that is not only climate-friendly but also provides the benefit of reduced noise from the ship. The order also marks a shift towards a more commercial and OEM-driven market.

Different technological solutions at customers' premises

PowerCell works with a number of customers in the maritime industry and in 2023 PowerCell signed an order with Norwegian integrator SEAM, which is the world's largest hydrogen project to date in the marine industry. The agreement includes deliveries of hydrogen solutions to two vessels that will operate on one of Norway's longest ferry routes. Norwegian transport group Torghatten Nord will be supplying the ferries, which when completed will each have a capacity of 599 passengers, 120 cars and twelve lorries. PowerCell will deliver its Marine System 200 which will enable the ferries to produce a total output of around 13 MW. These ferries will be powered by green hydrogen and are expected to reduce carbon emissions by 26,500 tonnes per year, according to the operator.

Other customers include Maritime Partners in the US. The company's fleet consists of more than 1,800 ships and tugs transporting goods that are key to the US economy, including agricultural products, chemicals and ballast. Due to the size, space and weight constraints of tugs, as well as the availability and ability to store hydrogen, reducing their carbon emissions is challenging. Maritime Partners has successfully launched the tug M/V Hydrogen One, which already fulfils the IMO's requirements for stricter emissions by 2030. This tug is powered by fuel cells that use hydrogen produced by reforming methanol on board and provides continuous propulsion for extended periods. Today, around hundred of the world's largest ports offer methanol for use in shipping.

Market overview

Maritime transport is an important part of the global economy but is also a significant source of greenhouse gas emissions. According to the European Commission's report "Reducing emissions from the shipping sector", shipping accounts for around 2.9 percent of global greenhouse gas emissions and between 3 and 4 percent of greenhouse gas emissions in the EU.

In 2023, IMO member states adopted a strategy to reduce greenhouse gas emissions from ships and tougher targets to tackle environmentally harmful emissions. The revised strategy includes a shared ambition to reach net zero greenhouse gas emissions from international shipping by 2050. According to the IMO, this means that carbon emissions from international shipping must be reduced by at least 40 percent by 2030 compared to 2008. The IMO identifies the use of new technologies and fuels with zero or near-zero greenhouse gas emissions and hydrogen as a possible source of zero-emission shipping.

The number of initiatives to use green methanol or green ammonia for ship propulsion has increased in the last year. Other examples from the long list of initiatives to reduce emissions from shipping include the EU's decision to include shipping in the European Union Emissions Trading Scheme. This could further drive demand for zero-emission powertrains for ships and other boats.

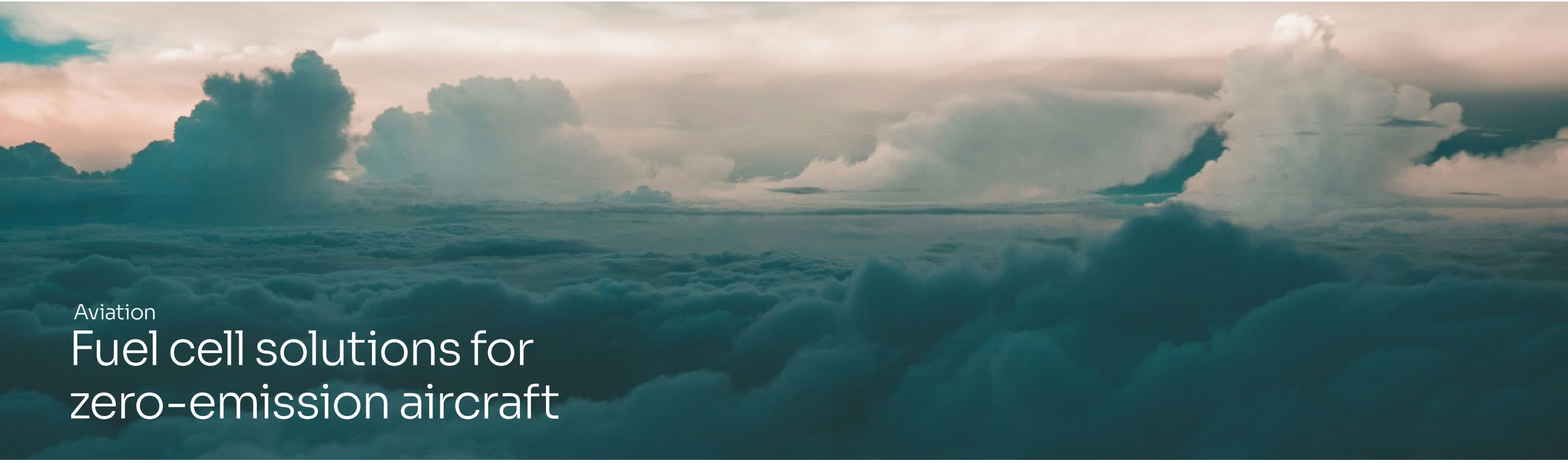
The global initiatives are contributing to the rapid development of shipping towards alternative, zero-emission propulsion systems. This is also why we are prioritising the development of efficient hydrogen-electric solutions for the marine industry.

Specifically designed for marine applications

PowerCell's marine systems are based on industrialised components that can be easily connected to meet the power supply needs of many different customers. Launched in 2024, Marine System 225 is capable of offering up to several megawatts of power thanks to its modularity.

Marine System 225

Marine System 225 is a powerful yet compact and advanced marine power generation system that builds on the successes of Marine System 200. Designed with our extensively validated fuel cell stack platform, Marine System 225 represents a significant upgrade for maritime applications and can be connected in parallel for megawatt solutions. Marine System 225 offers high system efficiency and delivers quiet, emission-free energy, making it well suited for sensitive marine environments. Utilising the proven technology of its predecessor, the Marine System 225 offers increased power and improved operational efficiency while maintaining an industry-leading installation footprint. This makes it an ideal solution for a wide range of marine vessels and allows for easier installation and servicing.



Aviation

Fuel cell solutions for zero-emission aircraft

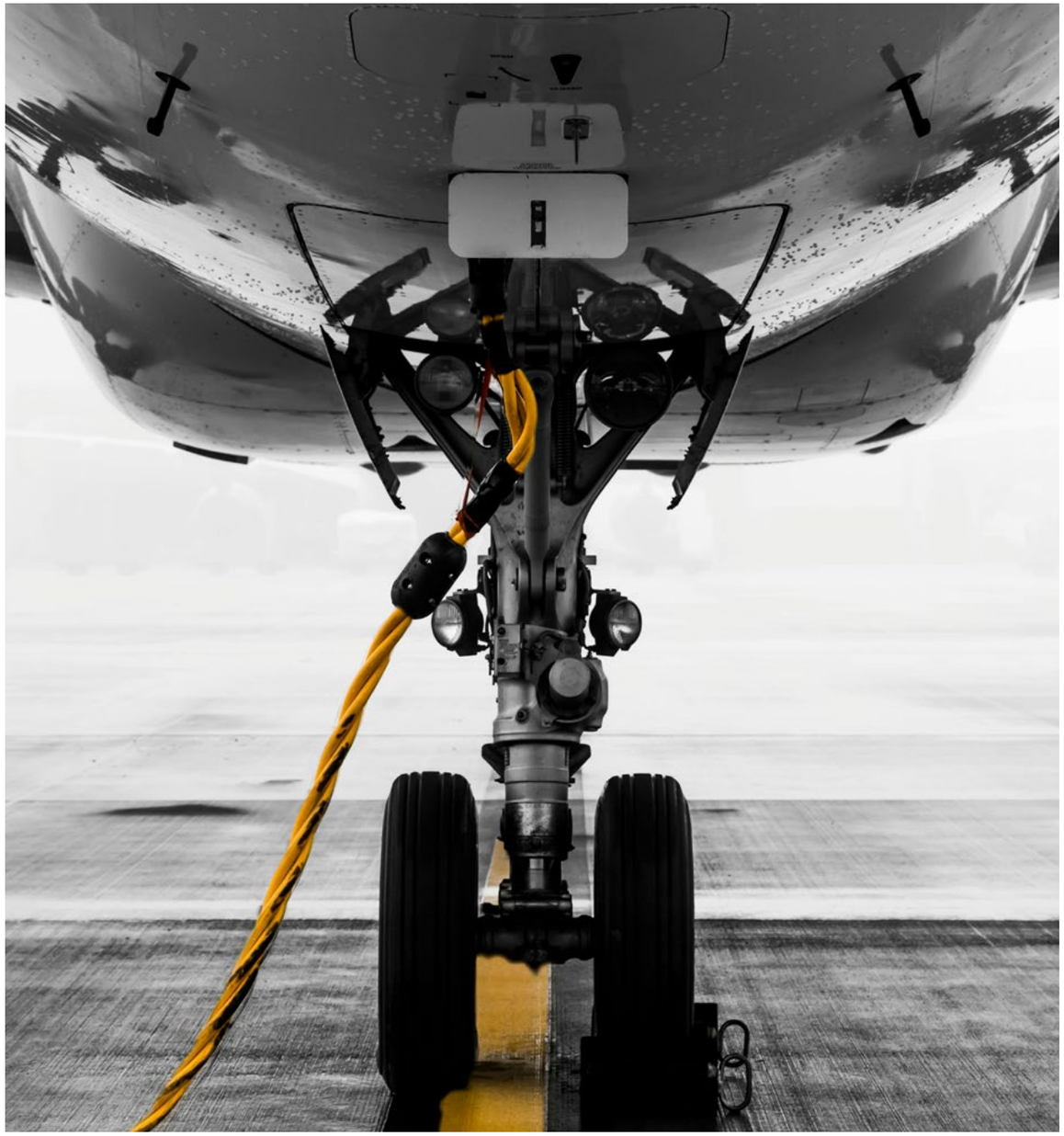
We are seeing strong interest from both traditional, established manufacturers and new, innovative companies in investment in fuel cell solutions for zero-emission aircraft. In 2024, our customer ZeroAvia conducted a number of successful test flights and we concluded a contract with an Australian aircraft manufacturer for a concept study for an aircraft with vertical take-off and landing. In total, we are working on around 20 customer projects at different stages, which confirms that we are leading the transition to zero-emission aviation.

Hydrogen-electric solutions are important for reducing the climate impact of the aviation industry. Unlike many other industries, such as renewable energy production and electric cars, it has been difficult to date for the aviation industry to identify solutions that reduce carbon emissions without compromising customer value. That is why PowerCell's hydrogen-powered fuel cells and systems are essential for the transition to zero-emission aviation. With high specific energy, hydrogen-electric powertrains are an efficient and scalable solution for the aviation industry. The aviation industry has very stringent demands for reliability and performance in relation to weight and volume.

Our work with our customer ZeroAvia is continuing at pace and includes series deliveries of fuel cell stacks with a potential value of up to SEK 1.51 billion. ZeroAvia aims to launch a powertrain for a 19-seater aircraft with a range of around 550 kilometres (300 nautical miles) in a first stage, before then going on to launch powertrains for larger aircraft. PowerCell is working with ZeroAvia to industrialise the powertrain. Several successful test flights with the ZA600 system have been conducted in 2024. Besides reaching significant test flight milestones, ZeroAvia has secured pre-orders for nearly 2,000 powertrains from several major global aviation OEMs and is planning to achieve system certification by the end of 2025. ZeroAvia has also established partnerships with major aircraft manufacturers and global airlines such as British Airways, United Airlines and American Airlines.

During the year, PowerCell and ZeroAvia also signed a letter of intent to jointly accelerate the development of larger powertrains with higher operating temperatures than today's fuel cell systems.

In 2024, PowerCell concluded a contract with an Australian aircraft manufacturer for a concept study for a vertical take-off and landing (VTOL) aircraft with minimal emissions. The study includes an agreement and SEK 7 million order for engineering work for the specification, and the customer aims to build prototypes to be evaluated for commercial use.



EU Sustainable Aviation Initiative
PowerCell is developing fuel cell solutions as part of the EU's Clean Aviation Joint Undertaking, which aims to develop the next generation of sustainable aircraft. This project is called Newborn, and its ambition is to reduce greenhouse gas emissions and noise using innovative technologies. PowerCell is the technical supplier of fuel cells and will be working with other companies to develop a multi-megawatt, aviation-qualified propulsion system fuelled by hydrogen. PowerCell is contributing its expertise and the latest fuel cell technology to the project to develop a new product platform for megawatt installations.

Market overview
The aviation industry accounts for around 2.5 percent of the world's carbon emissions according to Our World in Data, and a higher percentage of emissions if other non-carbon emissions that affect our climate are included. This percentage is likely to increase over time as other sectors are predicted to be able to reduce their greenhouse gas emissions faster than aviation, and so new technologies such as hydrogen-electric solutions will be required.

This makes the aviation sector the second most significant source of greenhouse gas emissions from transport, after road transport. According to the EU Green Deal, transport emissions must be reduced by 90 percent by 2050 (compared to 1990 levels), and the aviation sector must also contribute if climate neutrality is to be achieved. That is why electric powertrain aircraft powered by fuel cells are essential if the aviation industry is to be able to reduce its greenhouse gas emissions and minimise its climate impact.

> "PowerCell is currently engaged in over 20 projects at various stages in the aviation segment, and we are pleased to see a number of aviation projects coming to fruition.

According to McKinsey & Co, between 33 and 40 percent of the global aircraft fleet could be powered by hydrogen by 2050. This figure also includes synthetic fuels made from hydrogen that can be implemented in the existing aviation infrastructure. However, synthetic fuels are less cost-effective than fuel cells for short and regional distances, and there is low availability of raw material to produce sufficient quantities of fuel.

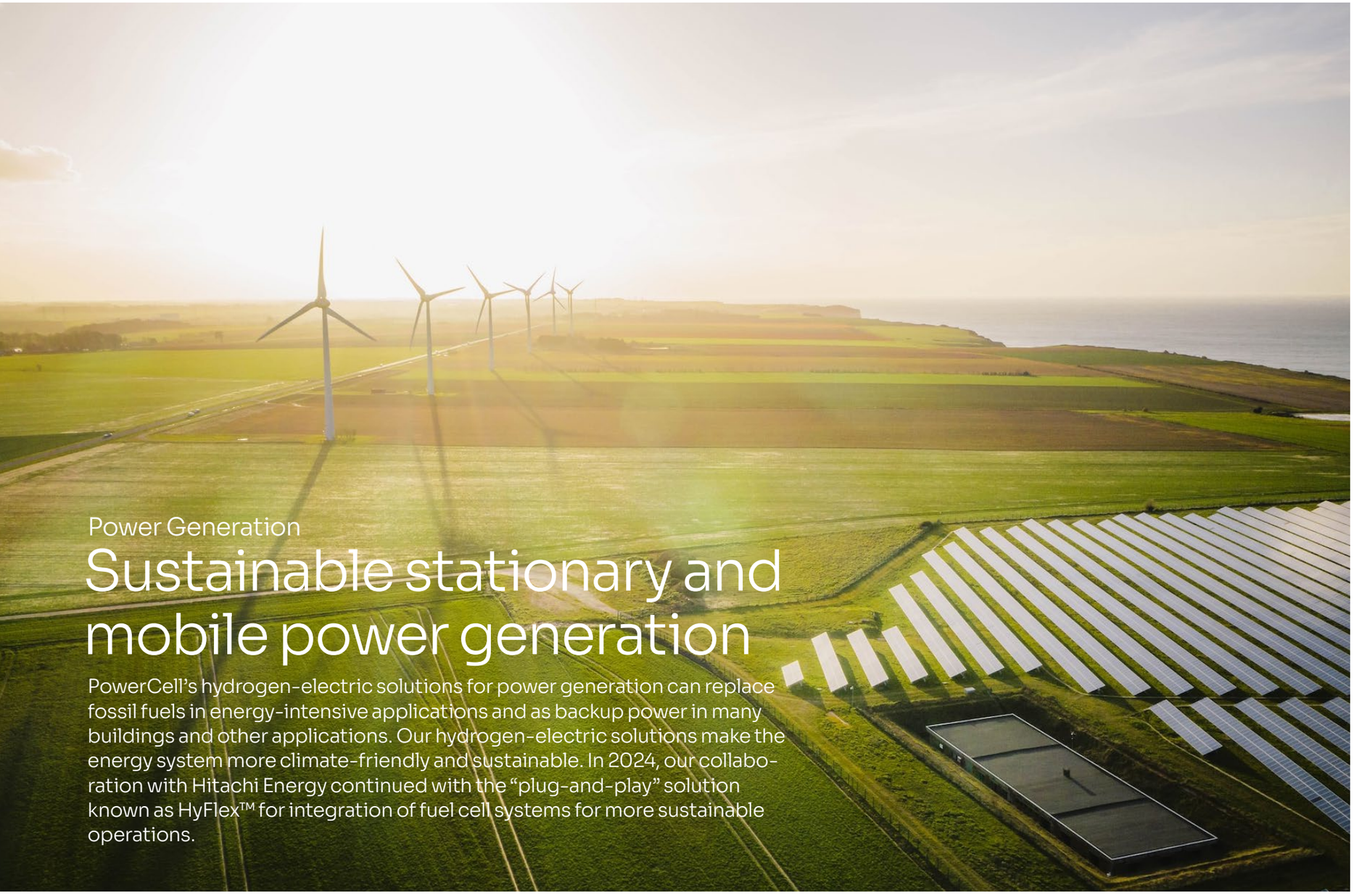
Hence fuel cells are best suited to short-haul and regional flights with up to about 165 passengers. To realise the full potential, further investments are needed in the development of hydrogen-electric aircraft, and in new hydrogen storage and refuelling infrastructure.

The initiatives of both governmental stakeholders and aircraft manufacturers demonstrate the rapid development of zero-emission aviation. PowerCell's significant contracts and development projects with supranational institutions such as the EU indicate that we are the clear leader in hydrogen-electric solutions. This is an important recognition and a strength, as the aviation industry is technically demanding and has very stringent safety requirements.

Pioneering energy solutions for zero-emission aircraft

PowerCell possesses cutting-edge technology in high energy density fuel cells and is the leading supplier of hydrogen-electric solutions to the aviation industry.

P System 100
Our product P System 100 is a fuel cell system with an electrical output of up to 100 kW that offers both flexibility and reliability. P System 100 is designed to enable compact integration while delivering high power. The fuel cell stack with its steel bipolar plates ensures long-lasting and reliable operation under a wide range of conditions. Several systems can be connected in parallel to achieve higher power.



Power Generation

Sustainable stationary and mobile power generation

PowerCell's hydrogen-electric solutions for power generation can replace fossil fuels in energy-intensive applications and as backup power in many buildings and other applications. Our hydrogen-electric solutions make the energy system more climate-friendly and sustainable. In 2024, our collaboration with Hitachi Energy continued with the "plug-and-play" solution known as HyFlex™ for integration of fuel cell systems for more sustainable operations.

We have seen increased activity in the market in the power generation segment. Many businesses and public authorities have realised that they need safe and reliable power generation systems that are sustainable as well. For instance, data, telecoms and real estate companies are interested in reliable, zero-emission backup power systems. The increased demand for fossil-free construction sites has also resulted in an interest in our mobile power generation systems. Other applications include temporary events such as exhibitions, concerts and film productions where our products can help provide the event with sustainably produced electricity.

Our product portfolio includes solutions for fuel cell-based power generation, with outputs from 5 kW up to several megawatts. Combined with local production and storage of hydrogen, we offer cost-effective power generation that is independent of the power grid. Based on these competitive factors, we perceive a large number of applications for our hydrogen-electric product portfolio in terms of stationary and mobile power generation.

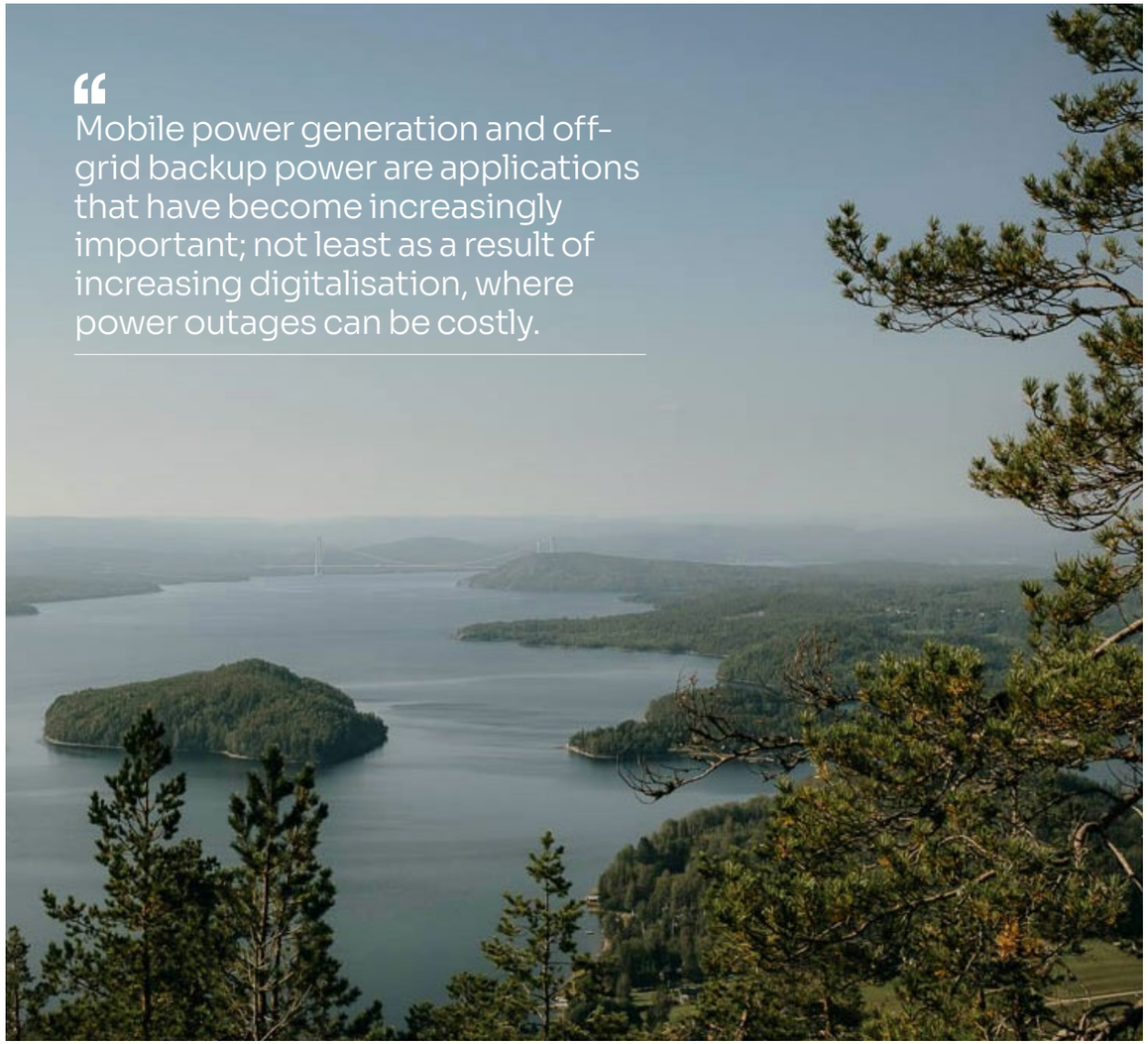
Collaboration with Hitachi Energy

PowerCell has an ongoing collaboration with Hitachi Energy and has created a ready-made "plug-and-play" offering, a new product by the name of HyFlex™, for the integration of fuel cell systems for more sustainable operations. This product is a flexible container solution that can be used in a wide range of applications for emission-free power generation. HyFlex uses a 400–600 kW fuel cell platform from PowerCell, independently of the power grid, with no greenhouse gas emissions when using green hydrogen.

Partnership enables power generation with net zero emissions, independently of the power grid

In 2024, PowerCell has partnered with Hitachi Energy, the Port of Gothenburg, Skanska, Volvo Group and Linde Gas to enable sustainable power generation and demonstrate the next step towards greener port operations. Together, the partners have developed a flexible, hydrogen-electric solution for the production of emission-free power.

During a demonstration at the Port of Gothenburg, PowerCell's and Hitachi Energy's HyFlex product generated power for an electric excavator supplied by Volvo Construction Equipment. Linde Gas has supplied green hydrogen for this. The demonstration aimed to demonstrate that the technology is ready and capable of replacing current fossil-fuelled solutions with sustainable hydrogen-electric solutions in commercial applications.



PowerCell, together with PTS and Telia, is working on an ongoing pilot project with fossil-free backup power to strengthen the mobile network's crisis preparedness. By combining solar cells, batteries, hydrogen and fuel cells, a base station in Roslagen has increased its operating time during power cuts from a few hours to up to 110 days – with no emissions. The project enables localised production and storage of hydrogen, with fuel cells playing a key role in the solution. The collaboration is providing important insights for developing robust, fossil-free energy systems and futureproofing Sweden's digital infrastructure.

Attractive power generation product solutions
We offer attractive solutions for fuel cell-based power generation up to several megawatts, in a number of different configurations. These power solutions are cost-effective, sustainable and independent, and suitable for a wide range of applications.

Market overview
The number of applications for fuel cell-based power generation is increasing; from mobile and stationary power generation, but also in other applications such as power generation in lorries.

Mobile power generation and off-grid backup power are applications that have become increasingly important; not least as a result of increasing digitalisation, where power outages can be costly. Traditionally, backup power has been provided using diesel-fuelled power generators that emit greenhouse gases such as CO_2. Applications can, for example, include construction sites and other temporary installations that require a lot of energy for a period of time. Fuel cell-powered backup power systems provide electricity on demand, which means that thanks to a hydrogen-electric solution, the customer has the backup energy they need – but with zero emissions.

In stationary power applications, the fuel cell system is capable of powering energy-intensive equipment such as data centres, either independently or in combination with a connection to the grid. This type of installation is attractive to customers who need energy in places where there is no power supply, or who want to reduce their dependence on the existing power grid. It is also an attractive solution for customers who, given their own energy needs, cannot afford to invest in an extension of the power grid.

Hydrogen-electric solutions can also be used in industry, for example, to ensure that customers have all the energy they need at times of high demand, regardless of the current load on the grid. In this case, the fuel cell system can work either independently or in combination with other energy sources such as batteries or the grid. It can also be used to reduce energy costs during periods of high demand. For instance, a property owner or factory can create its own power supply and become more resilient, leading to lower electricity bills and reduction of environmental impact.

Reduced total ownership costs
Ten-year simulations of ownership costs for many customers in the power generation segment show a reduction in total costs when using hydrogen-electric solutions. This is due to the combined effect of rising costs for CO_2 emissions and the decreased price of green hydrogen resulting from increased production. For our customers, it is also important to access an independent, user-friendly, and emission-free energy solution. Additionally, a hydrogen-electric solution can often reduce noise during energy production compared to a fossil fuel-driven solution.

Our Power Generation products

An attractive product portfolio of hydrogen-electric solutions for stationary energy-intensive applications, with outputs from 5 kW up to several megawatts.

Power Generation System 5
Power Generation System 5 is designed to generate electricity simply, quietly and reliably. The system can be used as a power generator for buildings and households, as well as for backup power. Designed for easy installation in a standard 19-inch rack, this system includes an automatic control system that can monitor batteries and keep them charged to a specified voltage or ensure they are delivering the desired power.

Power Generation System 200
Power Generation System 200 is a powerful and compact fuel cell system with a net output of 200 kW. It is designed for stationary applications and can be connected in parallel for megawatt solutions.

Power Generation System 200 offers high system efficiency and delivers quiet, emission-free electricity in sensitive environments.

Off-road

Major potential for hydrogen-electric products in heavy commercial vehicles

To meet the net zero emission targets set by many companies, converting heavy commercial vehicles to hydrogen-electric solutions offers major potential. For these vehicles, hydrogen-electric powertrains enable electrification with minimal impact on customers' operational processes. Driving time, range, load capacity, availability and refuelling time are essentially the same as for diesel vehicles.

Commercial vehicles cover a wide range of commercial applications, including construction equipment such as excavators, loaders, dumpers and wheel loaders, and agricultural and mining machinery, terminal vehicles and forklift trucks. What these vehicles all have in common is that they consume large amounts of energy and are used in confined areas where they add great value. Today, off-road vehicles are almost exclusively fuelled by diesel, and greenhouse gas emissions are high.

Hydrogen has a high energy density, which makes hydrogen-electric solutions ideal for powering vehicles with heavy loads and long operating times where a high energy source is needed. As they are used in confined areas, the supporting infrastructure – such as hydrogen distribution and storage, support and maintenance – can be kept at a low level.

Hydrogen-electric powertrains have minimal impact on customers' operational processes, i.e. products' commercial use and value creation. An excavator powered by fuel cells and green hydrogen will offer similar performance, uptime and refuelling times to a diesel-powered excavator, but with no emissions.

Development of hydrogen-fuelled dumpers

Volvo Construction Equipment has committed to achieving net zero emissions in its value chain by 2040. The development of the HX04 hydrogen-electric dumper is one step towards achieving this goal. This machine runs on green hydrogen and emits only water vapour. Dumpers are most often used in areas where there is no power infrastructure, such as in mines and for road construction purposes. This gives fuel cells a major advantage as they have a much longer operating time than batteries, for example. A battery-powered dumper would require large, heavy batteries to provide the power needed. A dumper with fuel cells is lighter, which allows the vehicle to carry more cargo instead.

Opportunities for reduction of agricultural emissions

Other examples of off-road vehicles that can be adapted to hydrogen-electric solutions include agricultural machinery such as forestry and harvesting machines. The lower weight of fuel cells compared to batteries would be positive and reduce the impact on nature and the land.

Agriculture accounts for a significant share of global greenhouse gas emissions, and at present farm machinery predominantly runs on fossil fuels such as diesel. That is why there is major potential to reduce emissions from agriculture by developing sustainable propulsion systems. In Germany, the H2Agar research project explores the possibilities of expanding a hydrogen infrastructure for agriculture. Green hydrogen is produced using renewable energy from a nearby wind farm. As part of this , Fendt (AGCO) has developed a prototype of a hydrogen-powered tractor, known as HELIOS, with PowerCell fuel cells offering 100 kW of power. Fendt delivered the first two prototypes of the hydrogen-powered tractor to farms in Haren, Lower Saxony, in February 2024 where they will be used. Information from these tests will form the basis for further research to reduce carbon emissions from agricultural vehicles.

Market overview

According to IEA 2020, it is crucial that the transport sector reduces its carbon emissions as it accounts for a large percentage of global emissions from fuel consumption. Most of these emissions are from cars, but off-road vehicles must also help to reduce these emissions.

Today, off-road vehicles are almost exclusively fuelled by diesel, resulting in high greenhouse gas emissions. The Swedish Energy Agency states that machinery such as tractors, excavators, dumpers and forklifts account for about six percent of Sweden's climate impact, and their emissions have increased in recent decades.

> "Rail transport provides a growing market for fuel cell systems, as the power performance of fuel cells is well suited to locomotives.

Rail transport provides a growing market for fuel cell systems, as the power performance of fuel cells is well suited to locomotives. In North America, a large proportion of rail transport is fuelled by diesel. The majority of rail traffic in Europe is electric, but about 20 percent of traffic is still powered by diesel locomotives. According to the Hydrogen Council, fuel cell trains are most economically suitable for long distances that are difficult to electrify. Several fuel cell trains are already in operation worldwide, and the market potential is significant as they can be used for both passenger and freight transport, as well as for shunting locomotives in rail yards.

We see great opportunities for our hydrogen-electric solutions in various segments of the off-road market, where PowerCell's products and solutions could significantly reduce harmful greenhouse gas emissions.

A complete offering for commercial vehicles

To meet the growing interest, PowerCell offers a complete hydrogen-electric product portfolio for the off-road industry, ranging from 60 kW up to megawatt installations. The product portfolio is based on our proven fuel cell technology which, with its high power density and compact size, makes our solutions particularly well suited for heavier vehicles.

P System 100

P System 100 is a very powerful fuel cell system with an electrical output of up to 100 kW, offering both flexibility and reliability. The system has been tested and developed according to standards for heavy duty applications.

P System 100 is specially designed to enable compact integration while delivering high power. The system has a robust design that allows for fast, dynamic and stable loading. The fuel cell stack with its steel bipolar plates ensures long-lasting and reliable operation under a wide range of conditions. Several systems can be connected in parallel to achieve higher power.

On-road

Partnership with Bosch provides economies of scale

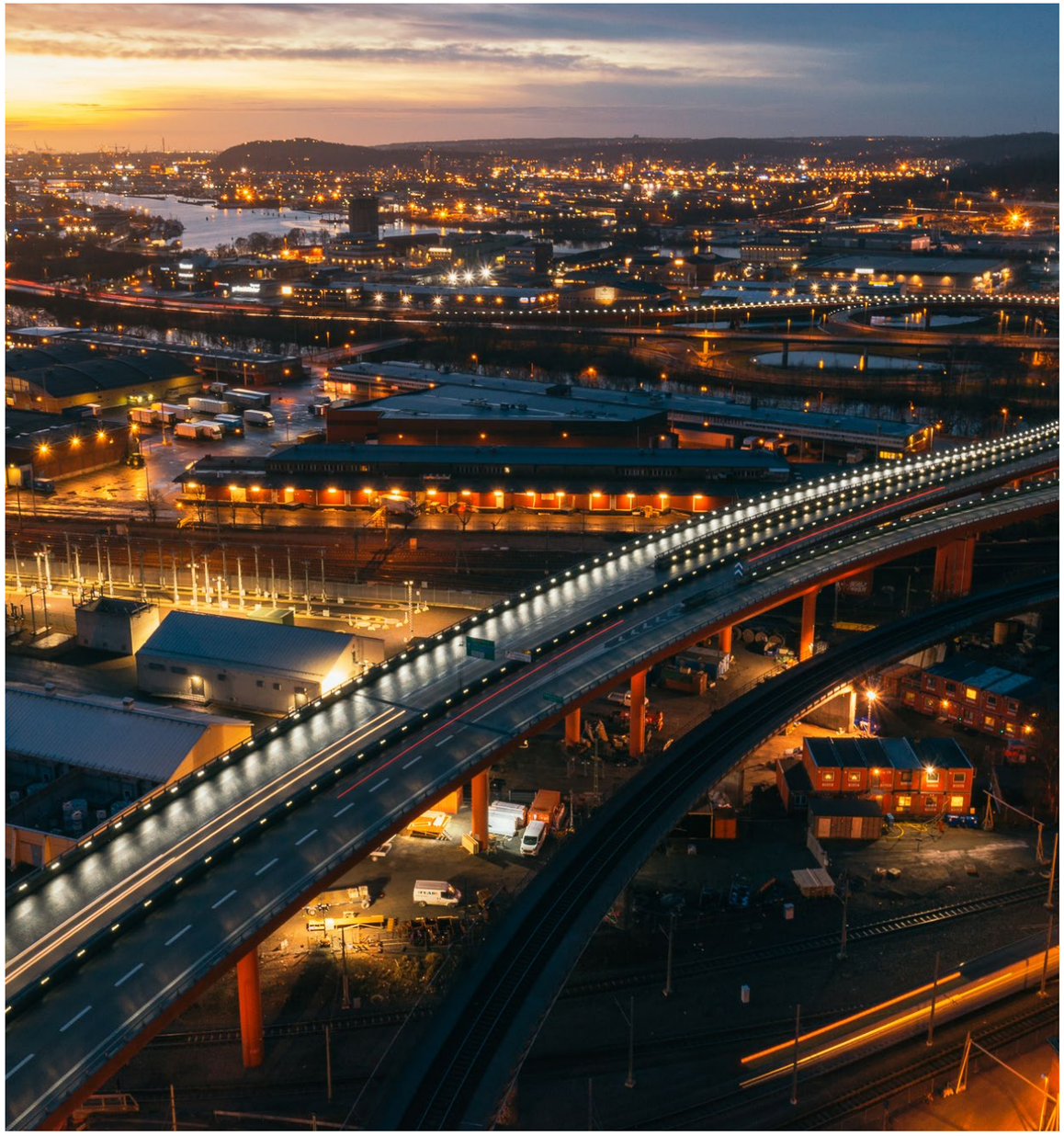
The electrification of vehicles with hydrogen-electric solutions began more than a decade ago. Today, several global vehicle manufacturers are offering hydrogen-electric cars, buses and lorries. We are reaching out to this market segment through Robert Bosch GmbH, our licensing partner. Bosch licenses our S3 fuel cell stack and sells it to the automotive industry. Bosch has also been our contract manufacturer of fuel cell stacks since 2023.

Fuel cell-based solutions for vehicles offer refuelling times, driveability, range and load capacity that are not significantly different from fossil fuel-powered vehicles. With their high power density and compact size, PowerCell's fuel cell stacks are well suited for vehicles, and in particular for heavy vehicles such as lorries and buses where a great deal of power is required.

PowerCell has made the strategic decision to address the automotive market in cooperation with Robert Bosch GmbH, one of the world's leading suppliers to the automotive industry. Bosch has been building its technological capabilities and market presence in the automotive market for over a century. Bosch has been licensing and manufacturing our S3 fuel cell stack for the automotive industry since 2019.

In 2023, we concluded a strategically important agreement with Bosch for the contract manufacturing of the S3 fuel cell stack for PowerCell. This will allow us to significantly increase our production capacity and meet the growing demand in the markets that we directly address ourselves, such as aviation, maritime, power generation and commercial vehicles. We are now able to focus on assembling fuel cell systems and supplying them to our customers, as well as continuing to innovate and develop the next generation of fuel cell stacks. Contract manufacturing also has a positive impact on our working capital and reduces the need for capital investment. Additionally, it creates economies of scale as higher volumes result in lower costs per unit produced. Bosch has manufacturing facilities in other parts of the world, and in the long run we expect to benefit from their global capacity for volume production.

Bosch, through a subsidiary, has been PowerCell's single largest shareholder since 2019, with a holding of around 11 percent.



Early adopters in the automotive industry
The automotive industry was one of the first industries to explore hydrogen-electric solutions. Manufacturers have been offering battery electric powertrains for more than a decade, and customers in this industry are used to electric solutions. Besides providing an emission-free solution, there are other benefits of fuel cell technology. Noise levels can be lower compared to diesel buses, for example, which helps to enhance comfort. After years of testing, some manufacturers are now offering hydrogen-electric cars, buses and lorries, and more vehicles are on the way. Asian car manufacturers were the first to launch hydrogen-powered cars for the private market. We are now seeing European manufacturers also launching their own fuel cell cars.

Growing number of refuelling stations
The availability of refuelling stations for hydrogen-powered vehicles has caused a bottleneck in the market. The number of stations is now increasing rapidly, but from low volumes. According to the Global Hydrogen Review 2024 report from the International Energy Agency (IEA), there are around 1,200 hydrogen refuelling stations in the world, of which 750 are in Asia, almost 300 in Europe and around 100 in the US. The EU Alternative Fuels Infrastructure Regulation aims to establish hydrogen refuelling stations every 200 kilometres along major roads and in cities by 2030, in particular to serve the growing fleet of heavy lorries.

> "After years of testing, some manufacturers are now offering hydrogen-electric cars, buses and lorries, and more vehicles are on the way.

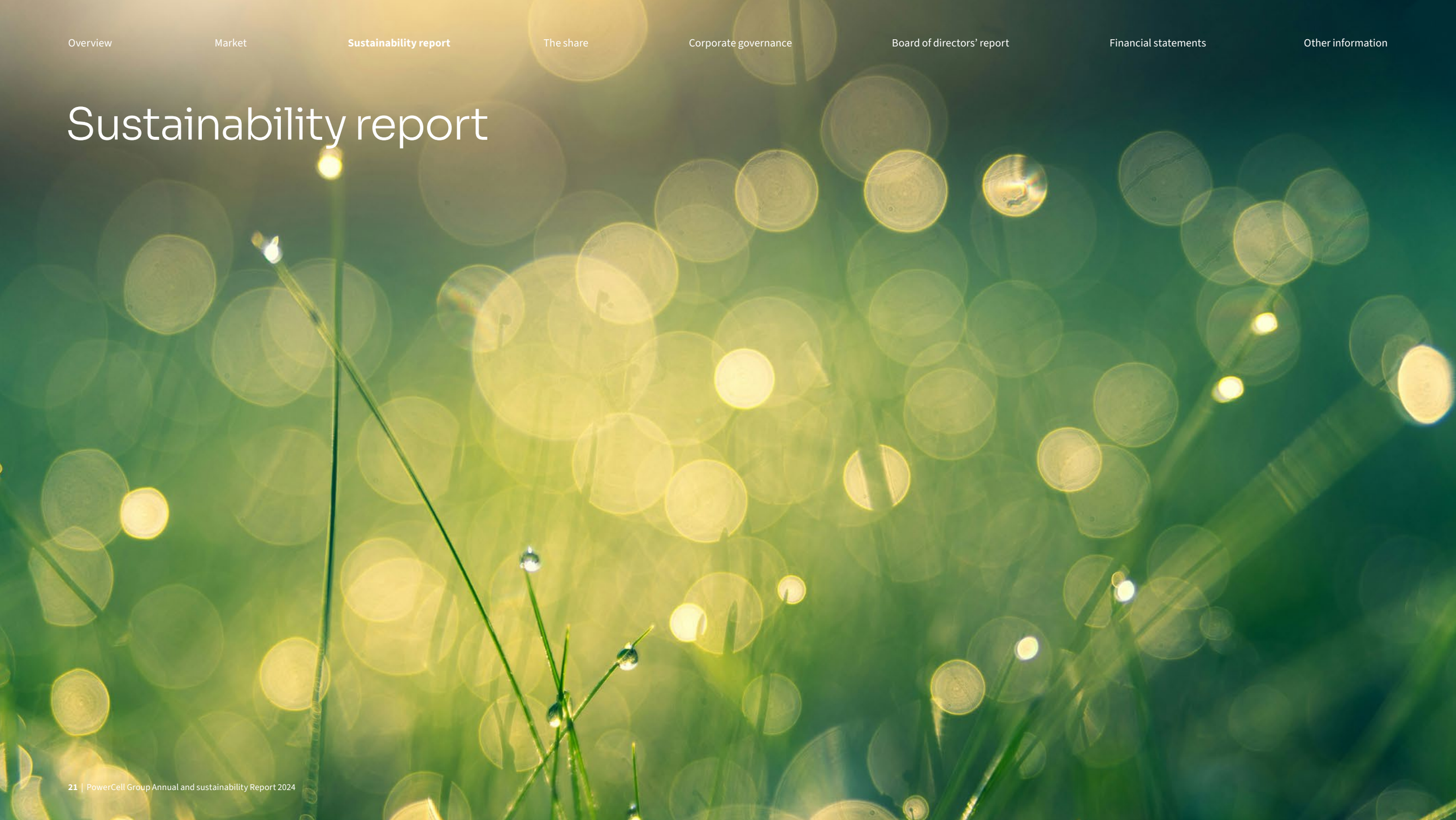
A strong product solution for the automotive industry

PowerCell has developed the PowerCell S3 fuel cell stack, which is licensed to Bosch and is industrially and commercially ready for series production.

P Stack (S3)
P Stack (S3) is a powerful fuel cell stack licensed to Bosch which offers power up to 125 kW. The technology has undergone extensive testing and validation with major manufacturers, renowned research institutes and leading automotive suppliers. Moreover, it is designed for high-volume production at low manufacturing cost.

V Stack (S2)
V Stack (S2) is a robust fuel cell stack which offers power up to 35 kW. V Stack is made to withstand harsh conditions in all types of applications. V Stack is a proven product that has been in production for a number of years.

Sustainability report



We help accelerate the transition to fossil-free, emission-free energy systems

Sustainability and the transition to fossil-free energy systems are the basis for our existence as a company. Our solutions are important contributors to a zero-emissions world that is less dependent on fossil fuels.

Our vision for a sustainable future

Climate science clearly shows that we need to phase out fossil fuels if we are to avoid a climate catastrophe. Meanwhile, particulate emissions from combustion engines are contributing to serious health problems such as respiratory issues and cardiovascular diseases. Reducing these emissions and investing in cleaner technologies would not only improve the climate, but would also have a direct positive impact on public health. Cleaner air means fewer illnesses, lower healthcare costs and improved quality of life for everyone. Therefore, our mision entails not only to ensure a sustainable energy supply, but also to create a healthier environment for current and future generations.

Our mission at PowerCell

At PowerCell, we are dedicated to driving this transition by developing and delivering fuel cell solutions. We focus in particular on sectors that are difficult to transform, such as aviation, maritime, heavy transport and industry, offering solutions that help to bring about cleaner air and a sustainable energy future. We want our work to make us a trusted partner in the transition to a more sustainable society without compromising on environmental responsibility, social aspects or business ethics.

Integrated sustainability work

Sustainability is an integral part of our strategy and operations. For us, sustainability is a starting point for value creation and innovation. We are absolutely certain that sustainable operations today are laying the foundation for a strong and successful PowerCell tomorrow, where we can meet the needs of today without compromising the opportunities of future generations. We work on the basis of:

- Environmental responsibility: Minimising our impact on climate and nature.
- Social responsibility: Creating safe, fair and inclusive workplaces.
- Business ethics: Conducting business with respect for human rights throughout the value chain.

Progress throughout the year

In 2024, we strengthened our sustainability work by formulating our own ambitious climate goals for 2025 and 2030, refining our processes in sustainable procurement and human rights in the value chain, and expanding our taxonomy reporting for greater transparency. Take a look at the following pages for more information about how we are working towards a sustainable future!

Selected sustainability indicators in PowerCell's material sustainability areas

	Target 2024	Outcome 2024
Reducing emissions from PowerCell's operations		
100% fossil-free electricity	100%	100%
Reduce emissions intensity [CO2e/SEKm turnover] in Scope 1 and 2 by 10%	–10%	–23%
Percentage of waste sent for recycling	45%	37%
Percentage of hazardous waste in total waste	< 5%	6%
Robust and reliable products		
AS9100 certification for the S-3 stack	Achieved certification	AS 9100 recommended Dec 2024, certification approved Feb 2025
Delivery precision	95%	97%
Safe, stimulating workplaces		
Salary level women/men	50%	51% W / 49% M
Gender distribution, women/men	30%	26% W / 74% M
Absence due to illness	<2%	2.2%
Lost Time Accidents	0	4 h
Employee engagement (eNPS)	>20	3
Responsible sourcing		
% of total purchase value from suppliers who agree to our Supplier Code of Conduct (or have their own equivalent that at least covers our requirements)	>90%	99%
Percentage of order value purchased from European suppliers	>90%	99%
Direct suppliers assessed with ESG SAQ	>80%	91%
New direct suppliers assessed with ESG SAQ	100%	100%

Reducing emissions from PowerCell's operations

Our business concept is based on contributing to a zero-emissions society and combating climate change. As an important enabler for a zero-emissions society, we also strive to keep our own emissions low.

Our contribution to the UN Sustainable Development Goals

7.2 Increase the share of renewable energy in the global energy mix
7.3 Double the improvement in energy efficiency
12.5 Substantially reduce waste generation
12.6 Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Reporting with reference to GRI standards:
301 Materials 2016
302 Energy 2016
303 Water and Effluents 2018
305 Emissions 2016

As a leading player in the hydrogen-electric industry, our solutions are crucial to the transformation of society's energy supply and the ability to achieve the goals of the Paris Agreement. Our fuel cells enable our customers to phase out fossil fuel combustion in favour of energy solutions that do not emit particulate matter and carbon dioxide in the use phase. Life cycle analyses in the fields of heavy transport, aviation and maritime applications show that internal combustion engines that are replaced by fuel cells powered by low-carbon hydrogen can reduce climate emissions by 60–90 percent over the life cycle, depending on the application and the method used to produce the hydrogen.

As a company that develops solutions that enable the climate transition, we have a particular responsibility to minimise our own climate impact. Meanwhile, we are in a growth phase where increased production and delivery of our solutions can increase our own absolute emissions in the short term, while growth contributes to the global transition to a fossil-free future. We have chosen to define intensity targets for our carbon emissions in order to balance these two factors. By measuring emissions in relation to our turnover, we can ensure that our climate impact is reduced in proportion to the size of our business. This will allow us to:

- Enable sustainable growth – our solutions will replace fossil fuel alternatives.
- Drive efficiency and innovation – we will optimise our processes and reduce emissions per unit produced.
- Ensure transparency and accountability – by tracking our targets, we can systematically improve our climate footprint and take responsibility for our climate impact.

We aim to halve the intensity of our Scope 1 and 2 emissions between 2023 and 2030

In order to reduce the intensity of our own emissions, we are constantly working to make our energy consumption more efficient. The electricity we use must be eco-labelled, and 100 percent of our electricity has come from renewable sources for several years now. We are constantly working to increase the proportion of electric vehicles among our company cars. In 2024, we continued to focus on increasing the efficiency and flow in our manufacturing and testing processes to get quality-assured products to the market faster and with more efficient use of resources. When possible, the surplus energy from our test labs is fed back into the grid. Energy consumption has decreased from the previous year in relation to turnover and FTEs, which we perceive as a positive sign of our operational leverage and an indicator that our efficiency measures are paying off.

Caring for the environment

We apply the precautionary principle, we comply with laws and regulations relating to the environment and strive to constantly improve our use of resources. We have permission to handle flammable substances and use no chemicals that require a handling permit. All water consumption in Sweden comes from the local supplier in Gothenburg and the water is not sourced from water stressed areas (according to the WRI Water Risk Atlas). Water consumption comes from office use and cooling during the testing of fuel cell stacks and systems.

We regularly check to ensure that the water being returned to the municipal sewerage network does not exceed any regulatory benchmarks. The water we use to cool our fuel cell stacks and systems during testing is reused in the buildings' heating systems. Our total water consumption in 2024 was 1,680 m^3 (1,844 m^3).

To reduce our environmental impact, our goal for 2024 was to increase the amount of recycled waste material. However, the recycling rate decreased slightly between 2023 and 2024, mainly due to the almost doubling of wood waste. The total amount of waste fell by 24 percent, partly as a result of the introduction of waste compressors, which means fewer collections, and the fact that some waste volumes from 2024 will be registered in 2025.

Since its establishment in 2008, PowerCell has never received any fines or incurred any losses in connection with violations of environmental legislation or regulations. PowerCell has no operations in or near areas with protected or sensitive biosystems.

Refrigerants used in PowerCell's operations have an ODP value (Ozone Depleting Potential) of 0 according to the Swedish Environmental Protection Agency's list of refrigerants. In 2024, no ozone-depleting chemicals were used in our operations. To the best of our knowledge, PowerCell has no significant air emissions of nitrogen oxide (NOx), sulphur oxide (SOx), persistent organic pollutants, volatile organic compounds (VOC), environmentally hazardous air pollutants (HAP) or airborne particles (PM). In contrast, PowerCell's products help our customers to radically reduce air pollution, as the only emissions from hydrogen fuel cells are water and heat, unlike internal combustion engines, which are a major contributor to both carbon dioxide emissions and air pollution.

Climate goals for 2030:

To reduce Scope 1 and Scope 2 emissions intensity by 50 percent compared to the base year 2023.

PowerCell's emissions according to the GHG protocol

We strive for full insight and transparency in our value chain's climate emissions. We have been reporting our emissions in full Scope 1 and Scope 2 and parts of Scope 3 since 2021. In 2023, we extended our Scope 3 measurements to include all significant emissions in accordance with the GHG protocol. The 2023 climate measurement has been used as the base year for our short-term climate goals to 2025 and the climate goals for 2030. The climate goal for 2024 was included in the management team's incentive programme for the year.

Since 2023, we also measure the climate impact from the use of products sold. Carbon dioxide emissions from hydrogen fuel cells are zero during the use phase. The climate impact of fuel cells can be significant, depending on the carbon footprint from the production of the hydrogen used and the long service life of fuel cells. That is why we consider it relevant to report this as well, even though it is beyond our scope, according to the GHG Protocol. In 2024, this item accounted for 14,777 tonnes, which would represent 64 percent of our total carbon footprint if it had been included. How hydrogen is produced is crucial in terms of the scope of emission reduction that can be achieved with hydrogen, where blue or green hydrogen has an emission value close to zero from production to use, while grey hydrogen produces emissions during the production phase. In cases where customers have used reformed methanol as a fuel source for our fuel cells, we have calculated the direct emissions during use. It is difficult to know what hydrogen will be used to fuel our products throughout their lifetime, but the magnitude of the potential emissions in the production of hydrogen means this is a relevant aspect for us to follow up to the best of our ability. We have based our assessments on discussions with customers when calculating this emission item.

Our carbon footprint

In 2024, Scope 1 accounted for less than 0.1 percent of our total climate footprint. Scope 2 accounted for about 0.5 percent, and Scope 3 for the remaining 99.5 percent. Scope 1 and 2 decreased slightly compared to the previous year as we did not need to top up any refrigerants, and as we used less electricity and heat. The largest items in Scope 3 are goods and services purchased, accounting for 72 and 11 percent respectively. Use of goods sold accounted for 8 percent, which includes direct emissions from those customers who used reformulated methanol. Measuring and monitoring our Scope 3 emissions provides us with a good understanding of our entire climate footprint and what actions can be taken to reduce the entire value chain's emissions.

The consolidation method applied in the climate calculations is operational control and a market-based method for Scope 2. The GWP values are applied in accordance with the IPCC's Fifth Evaluation Report, 2014 (AR5). The emissions included in the calculations are the greenhouse gases stated in the Kyoto Protocol, i.e. CO_2, CH4, N2O, HFC, PFC, SF6 and NF3.

Climate impact*

Tonnes of CO_2	**2024**	2023	2022	2021
Scope 1	**6.6**	**14.5**	**2.1**	**1.4**
Vehicles	2.0	1.7	2.1	1.4
Refrigerants	0.1	8.3	0	0
Other emissions	4.5	4.5	N/A	N/A
Scope 2 (market-based)	**40.4**	**42.5**	**36.4**	**35.0**
Electricity	1.7	2.1	1.6	1.6
District heating	38.8	40.3	34.8	33.4
Scope 3	**8,195.4**	**9,744.8**	**394.8**	**156.9**
Waste	0.4	0.7	0.3	0.3
Fuel and energy related activities (not included in Scope 1 or 2)	24.2	21.4	28.2	27.5
Business trips	163.7	282.4	83.2	98.0
Upstream and downstream logistics	286.0	466.0	283.1	31.1
Purchased goods and services	6,799.5	5,879.3	N/A	N/A
Capital goods	168.2	238	N/A	N/A
Employee commuting	48.4	57.6	N/A	N/A
Use of sold goods**	698.4	2,793.6	N/A	N/A
Treatment of sold products at the end of their operational life	6.5	5.8	N/A	N/A
Total carbon emissions	**8,242.4**	**9,801.8**	**433.3***	**193.3***

* As we expanded our Scope 3 calculation in 2023, no fair comparison can be made with previous years in terms of our full carbon footprint.
** See Sustainability note 1 on page 49.

Out of Scope

Tonnes of CO_2	**2024**	2023
Indirect emissions for production of distribution of fuel for use of goods sold**	14,777	40,098

** See Sustainability note 1 on page 49.

Scope 1–3 emissions

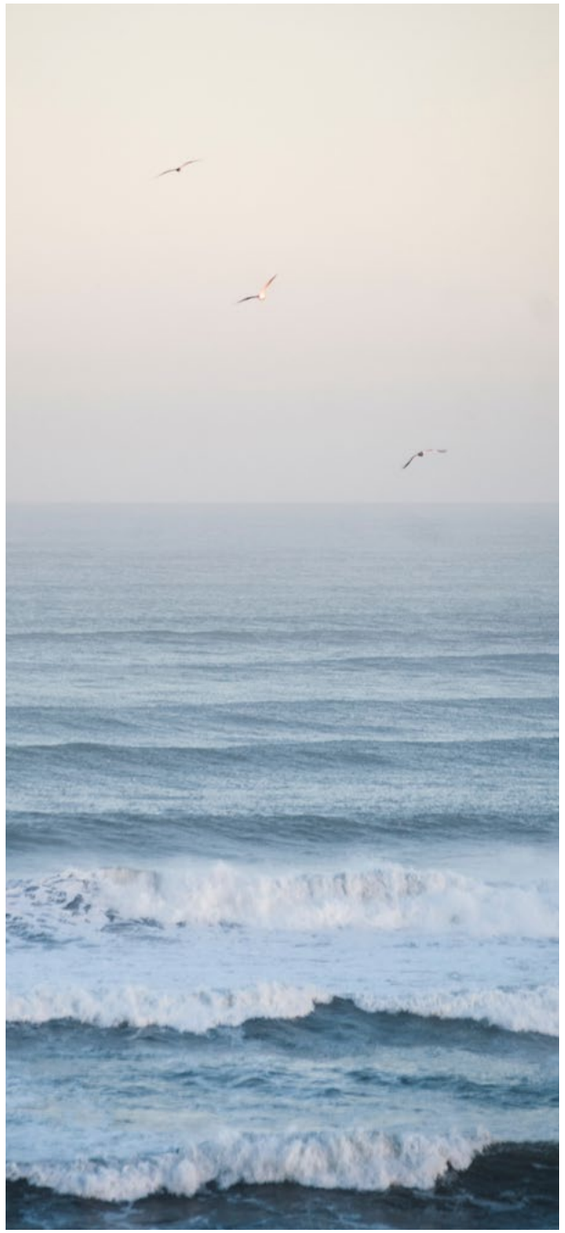
Tonnes of CO_2	**2024**	2023	2022	2021
Scope 1	6.6	14.5	2.1	1.4
Scope 2 (market-based)	40.4	42.5	36.4	35.0
Scope 2 (location-based)	250.5	306.0	246.5	242.1
Total Scope 1–2 (market-based)	**47.0**	**57.0**	**38.5**	**36.4**
Scope 3	8,195.4	9,744.8	394.8*	156.9*
Total Scope 1–3	**8,242.4**	**9,801.8**	**433.3***	**193.3***

* As we expanded our Scope 3 calculation in 2023, no fair comparison can be made with previous years in terms of our full carbon footprint.

Greenhouse gas emissions intensity

	2024	2023	2022	2021
Scope 1–2				
Climate impact per employee including non-employed workers (tonnes of CO_2/FTE)	0.30	0.35	0.30	0.35
Climate impact/net sales (tonnes of CO_2/SEK million)	0.14	0.18	0.16	0.23
Scope 3				
Climate impact per employee including non-employed workers (tonnes of CO_2/FTE)	52.2	59.1	3.4*	1.8*
Climate impact/net sales (tonnes of CO_2/SEK million)	24.5	31.4	1.8*	1.2*
Total Scope 1–3				
Climate impact per employee including non-employed workers (tonnes of CO_2/FTE)	52.5	59.4	3.7*	2.2*
Climate impact/net sales (tonnes of CO_2/SEK million)	24.7	31.6	1.9*	1.4*

* As we expanded our Scope 3 calculation in 2023, no fair comparison can be made with previous years in terms of our full carbon footprint.



Material usage for fuel cell stacks and systems

kg	2024	% of total	2023	% of total
Steel and iron	18,350	80	10,250	74
Aluminium	276	1	388	3
Copper	587	3	562	4
Composite plastics	651	3	597	5
Mixed electronics	747	3	597	4
Wood packaging material*	2,140	9	1,260	9
Paper packaging material*	64	1	139	1
Total	**22,815**	**100**	**13,867**	**100**

Calculations are based on the number of stacks and systems sold. Quantities of materials per system and stack have been estimated by the engineering department. The change between 2023 and 2024 is primarily due to other sold product mix. Work is underway to obtain more precise data on material usage in the years ahead.
All materials were purchased from external suppliers.
* indicates renewable material.

Waste

kg	2024	2023	2022	2021
Mixed	6,152	17,475	9,465	6,859
Paper	3,415	4,255	2,306	1,915
Wood	7,020	3,540	—	—
Glass	342	235	—	—
Metals	3,600	3,516	2,544	3,034
Electronics	161	310	477	1,176
Plastic	910	661	350	—
Non-hazardous waste	1,186	12	236	270
Total	**22,786**	**30,004**	**15,378**	**13,254**

In 2024, 8,441 kg (12,337) or 41.1 percent (40.6) was recycled and 17,627 kg (9,141) or 58.7 percent (58.8) was used for energy recovery. All figures come from our recycling contractor's statistical database.

End of waste management

kg	2024	2023	2022	2021
Hazardous waste:	**1,364**	**322**	**1,352**	**1,965**
– Energy recovery	1,147	12	136	184
– Without energy recovery	33	0	90	4
– Recycled	184	310	1,126	1,777
Non-hazardous waste:	**21,422**	**29,682**	**14,026**	**11,289**
– Energy recovery	13,165	17,615	8,905	6,775
– Without energy recovery	0	40	0	53
– Recycled	8,257	12,027	5,121	4,461
Total	**22,786**	**30,004**	**15,378**	**13,254**

Water consumption (water withdrawal minus water discharge)

	2024	2023	2022	2021
Total water consumption from all areas in megalitres	0	0	0	N/A
Total water consumption from all water stressed areas, megalitres	0	0	0	N/A
Water consumption/net sales (l/SEK million)	0	0	0	N/A
Water withdrawal, megalitres	1.68	1.84	1.66	N/A
Water withdrawal/net sales (l/SEK million)	5,030	5,943	6,763	N/A

Energy consumption within the organisation*

kWh	2024	2023	2022	2021
Electricity	1,144,865	1,105,533	1,075,053	1,059,315
– of which renewable	1,144,865	1,105,533	1,075,053	1,059,315
District heating	545,900	675,720	627,196	606,850
Petrol	987	1,307	5,666	3,924
Diesel	0	0	1,263	1,721
Hydrogen	424,333	455,867	370,000	N/A
Total	**2,116,085**	**2,238,426**	**2,079,178**	**1,671,811**
Energy consumption/net sales	6,336	7,214	8,497	10,462
Energy consumption per FTE including non-employed workers	13,478	13,566	16,118	15,922

*See Sustainability note 2 on page 49.

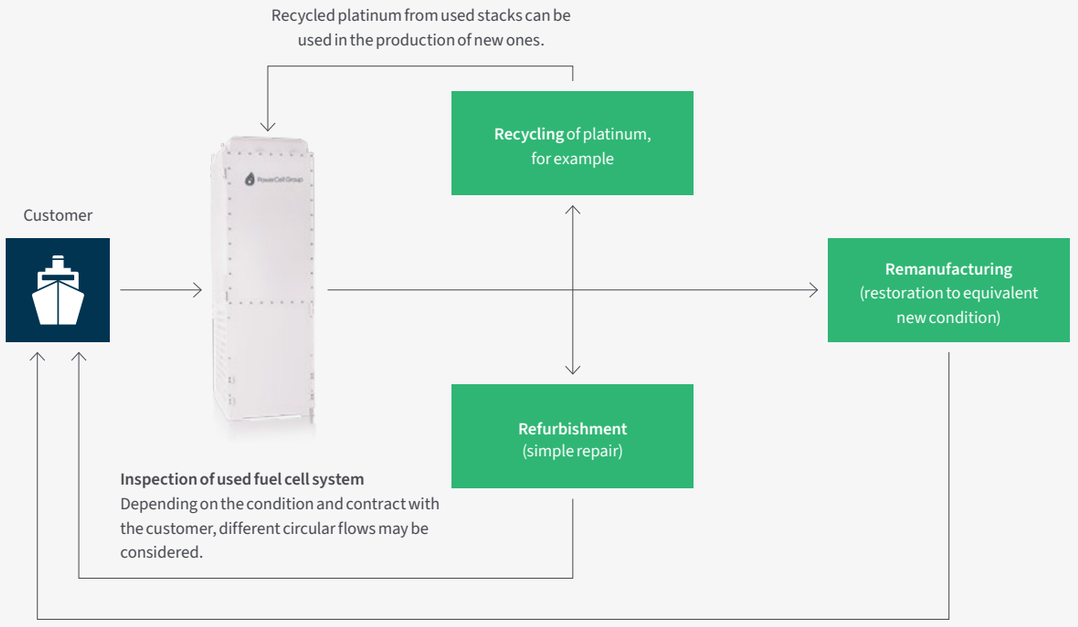
Fuel cells from a life cycle perspective

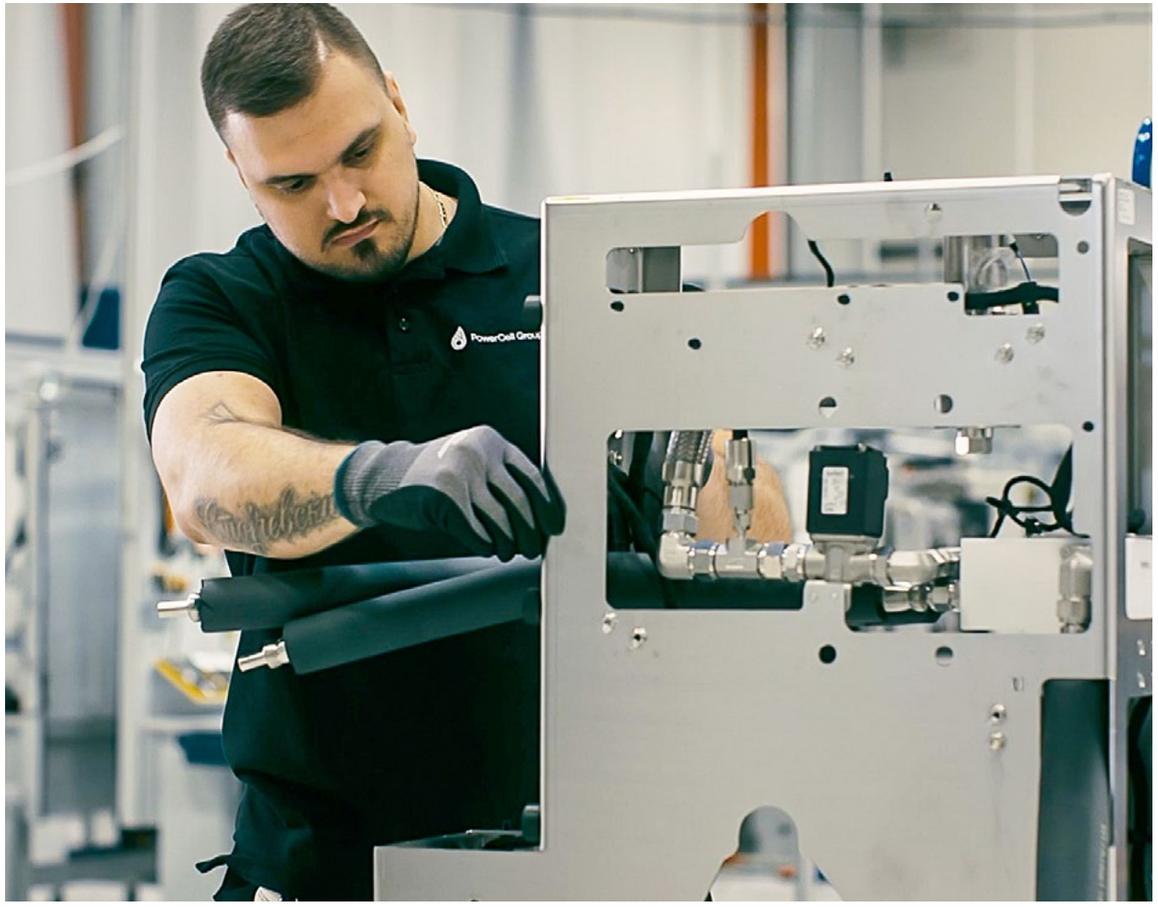
PowerCell conducts life cycle analyses on our products to understand the climate impact of fuel cell systems compared to fossil fuel technologies. The studies confirm what external life cycle analyses from academia and research institutes also show, namely that fuel cell systems using hydrogen produced with a small carbon footprint have a significantly lower impact than fossil technologies.

Life cycle analyses also provide us with a deeper understanding of which parts of the entire fuel cell system value chain have the greatest potential for future climate impact reduction. Apart from the way in which hydrogen is produced, the most important areas are the hydrogen supply chain, metal components and the amount of platinum used in the fuel cell stacks. The analysis also concluded that applications where water and heat can be recovered can significantly improve the climate impact of the fuel cell system over a life cycle.

PowerCell is also exploring how the degree of circularity can be increased in our business models. 2023 saw the start of a collaborative project together with Bosch and Dana to investigate how our fuel cell stacks age and explore the opportunities for circular business models such as refurbishment and recycling of used fuel stacks. The project will examine how used fuel cell stacks can be dismantled and inspected for any defects that need to be addressed, and how defective components can be replaced in order to create more resource-efficient ways to offer customers zero-emission solutions. The project will also investigate how platinum recycling can be ensured. Bosch has shown that up to 95 percent of the platinum in the fuel cell stacks can be recycled, which can reduce the carbon dioxide emissions associated with platinum by up to 95 percent.

Possible future circular material flow for fuel cell systems





Increased system efficiency

With regard to reducing the energy requirements of our products, PowerCell's fuel cell stacks have market-leading power density. The efficiency of a fuel cell stack is strongly linked to operating conditions. In 2024, we focused on tuning the system efficiency of our S3 stack platform. We are also developing next-generation fuel cell stacks for aircraft, for example, where energy efficiency and power density are key factors for a competitive product. In aviation, for example, we are working on increasing the operating temperature, which means less need for cooling and a more energy-efficient overall system.

Robust and reliable products

Our products are based on fuel cell technology and are designed to be used in demanding applications. Highest product safety and product quality are prerequisites for creating a strong brand and for the company's ability to create value.

Our contribution to the UN Sustainable Development Goals

9.4 Upgrade all industries and infrastructure to make them more sustainable
11.6 Reduce the environmental impact of cities
13.3 Build knowledge and capacity to manage climate change
14.1 Reduce marine pollution
14.a Increase scientific knowledge, research and technology for improved ocean health

Reporting with reference to GRI standards:
416 Customer Health and Safety 2016
417 Marketing and Labeling 2016

Our products are important for society and for our customers' ability to reduce their emissions. They make a significant contribution to reducing emissions in segments traditionally considered hard to abate and transition to zero-emission energy systems. We know that there are many possible applications for our solutions which will have a major impact on society's energy transition. PowerCell's ability to provide robust and reliable products is an important enabler for an accelerated transition.

Demanding customer segments

Product safety is one of the cornerstones of PowerCell's business and a prerequisite for the success of our business concept and the company continuing to create value. For that reason product safety is always included in internal processes that relate to products and solutions. Today, we direct our offering to demanding industries such as aviation, marine, power generation, off-road and on-road vehicles. In these industries there are detailed certifications and guidelines for manufacturers and their suppliers to, among other things, guarantee safety. We, as well as our partners, suppliers and customers, know that a lack of safety can seriously damage the entire industry. Therefore, we work together to maintain thorough safety procedures and follow-ups.

We also offer permanent installations that can be used for independent energy supply in properties or charging stations for electric vehicles, for example. To be successful in this area, the products must be easy to use, able to be used independently of existing energy supply infrastructure and, of course, safe. Ease of use and safety are therefore integral parts of our entire development process.

Safety in focus

As the fuel cell and hydrogen industry is young, we have a responsibility to support the safe introduction of our technology. Training in the handling and use of hydrogen and fuel cells is therefore an important task for PowerCell and an integral part of our offering. Today, training courses for customers and integrators take place both digitally and remotely.

As part of our development work, we carry out risk assessments for each application, based on best practices in relevant industries. As proof of our efforts and commitment in this area, we have – together with our customers – obtained approval for installation and operation in both marine and aviation applications which have the most stringent requirements in this regard.

At PowerCell, we are transparent about the standards against which we design our products, and we follow all applicable rules for product and service information. Our manuals describe how to use our products in a safe and energy-efficient way and include information on how to recycle them, as well as material declarations where required. We review our procedures and product design regularly in order to meet changing regulatory requirements and customer expectations, ensuring that all information is truthful and readily accessible and helps customers and users to make informed decisions. Since its establishment, PowerCell has never received any notice, fine or penalty as a result of non-compliance in relation to the health and safety impacts of products and services or information, labelling or marketing communications.

Management systems and certifications

Management systems are a way of ensuring the quality of our processes and procedures. In many cases, they are also a requirement from our customers in order for us to be able to cooperate. We closely follow the development of new standards and the amendment of existing standards relevant to our industry. PowerCell has been certified to ISO 9001 and ISO 14001 for a number of years. We further developed our management system in 2024 and underwent a thorough audit to certify our fuel cell stacks under the AS9100 aviation standard. This is a widely recognised standard for quality management which has been specifically developed for the aviation and defence industries. It is based on ISO 9001 but includes additional requirements adapted to the stringent levels of safety, reliability and compliance required in these areas.

Achieving AS9100 certification demonstrates that PowerCell's processes meet strict criteria, demonstrating a strong commitment to quality, continuous improvement and customer satisfaction. This certification not only reinforces the company's reputation in the aviation industry, but also enables new business opportunities by confirming PowerCell's ability to consistently deliver safe and reliable products and services.

Management systems and certifications

ISO 9001	Quality management system
ISO 14001	Environmental management system
AS9001 (applies to the S3 stack)	Quality management in the aviation industry

Safe, stimulating workplaces

To be the industry leader that exceeds customer expectations every day requires skilled, motivated employees. The prerequisites for achieving this are a culture that stimulates innovation, good leaders and excellent HR processes.

Our contribution to the UN Sustainable Development Goals

5.5 Ensure women's full participation in leadership and decision-making
8.8 Protect rights and promote safe and secure working environments for all workers

Reporting with reference to GRI standards:
401 Employment 2016
403 Occupational Health and Safety 2018
404 Training and Education 2016
405 Diversity and Equal Opportunity 2016
406 Non-discrimination

We have a strong culture that is characterised by innovation and based on PowerCell's mission to use our expertise to accelerate the transition towards zero-emission energy solutions. When we transformed from a development company to a leading player in the field of hydrogen electrification, our culture and our HR processes were key to our success. Our goal is to maintain our strong innovative strength while creating efficient, future-proof processes.

PowerCell's culture is based on four guiding principles that are intended to support managers as well as employees in their daily work.

1

People before processes
Processes can create a robust foundation that allows talented people to excel – but the people themselves are what create value, not the processes. We use processes to build supporting structures, but we also use our judgement, collaboration and experience. We rely on people.

2

Look for the positives
It takes neither skill nor talent to look for problems. We can learn from how children approach new things, with joy and curiosity, and train ourselves to see the positives first. Anyone can find faults and shortcomings, but fortunately everyone can see what works, too. Spend more time looking for good examples, opportunities and solutions, and less time looking for mistakes and problems. Those are important as well, but they are rarely more important. Ask yourself: "How can I contribute?"

3

Do your best
Always strive to do your best, and try to improve a little every day. Be ambitious, skilful, friendly and cooperative. Use your time wisely. Take a moment to think about how we can improve what we do and how we do it. Always take responsibility for your actions and do what is right!

4

Kindness is a superpower!
We do things our own way here. At PowerCell, we focus on "we", and we are all part of this together. We all have to get things done, find solutions and take responsibility. Responsibility and accountability are all a matter of integrity and honesty. Focus on what you/we can do to create value, and do not blame others or take credit for others' ideas. Feel free to add your own ideas, challenge people's suggestions with good intentions and respect, and communicate openly and directly. And always be friendly!

Individual development plans
An important part of creating motivated employees is to stimulate skills development, and we encourage all employees to pursue excellence in their profession by participating in training programmes. All our employees are entitled to an individual performance and development plan with skills targets and actions together with short- and long-term development activities. Ahead of target and performance reviews, each team leader is responsible for carrying out a skills assessment and planning for the team in order to ensure that we develop the right skills for the future. The skills plan provides the basis for individual performance and development plans. To ensure this, managers need to be aware of the performance and development process for every individual in the organisation. PowerCell applies an agreed structure with one formal dialogue per year, which is fine-tuned and reviewed at each pay review. Examples of skills development offered to employees include courses and training on leadership, electrical safety, fuel cell technology, CPR and crisis management, introduction to PowerCell, and cyber security.

Safe working environment
We assemble our products at our facility in Gothenburg. To us, it is of the utmost importance that we never compromise on employee safety. Laws and guidelines on how work should be carried out are our minimum requirements. We comply with the Swedish Work Environment Act with health and safety officers and all employees must receive relevant safety training for the tasks they perform. Incidents must always be reported to line managers, HR and reported internally via the quality management system.

Annual safety rounds are conducted by HR, the COO and local health and safety representatives in order to identify risks and hazards. When risks or hazards are identified outside of safety rounds, there is a process and system support for reporting these on the intranet. All our employees are covered by our health and safety system.

Injuries, risks and hazards are reviewed by a safety committee that ensures follow-up of corrective and preventive actions. The percent-

age of incidents fell slightly in 2024 compared to 2023. In 2023, we started to measure and regularly monitor Lost Time Accident (LTA). Measures must always be taken to minimise risks and the measures taken must be followed up and evaluated.

For us at PowerCell, it is important to have a good work-life balance. Stress-related issues must always be discussed in our employee dialogues and managers have a responsibility to follow up and monitor each employee's work situation in order to prevent stress. We regularly monitor absence due to illness in order to be able to identify and take action if we see multiple and/or longer absences due to illness. In 2024, absence due to illness was 2.2 percent (2.6).

All employees are offered personal health insurance and, where required, external healthcare services are procured by HR. All employees are entitled to an annual wellness allowance and 30 minutes of exercise time per day. Employees in Sweden have access to a leisure facility with sports equipment. All employees are also offered regular medical examinations.

Increase the proportion of women

Teams with equal gender distribution perform better than single-sex teams. It is therefore of great importance to us to ensure a more even gender distribution. At the end of 2024, 26 percent (26) of our employees were women. In order to improve this figure, female applicants are given preference in cases of equal merit and experience. Line managers are responsible for appointments. The challenge for us is that we recruit in areas with more male than female candidates. Our ability to increase the proportion of women also depends on employee turnover and the pace at which we grow.

Fair pay and working conditions

At PowerCell, we believe that we attract, retain and motivate employees through correct and fair pay and benefits. We apply a national pay scale in accordance with our commitments to equality, diversity and inclusion and in accordance with labour law and collective agreements. Every year, we perform a gender gap analysis in order to prevent and put right any unfair conditions. Pay and bonuses are reviewed in April each year following the first performance review process in March. Increases can be made where needed for employees who were new to the company and not eligible in the first review, are in a role where the market has moved significantly or who have taken on more responsibility or changed roles since the last review. Employees, who are not members of a trade union with which PowerCell has an agreement, are treated in accordance with the collective agreement. Part-time employees have the same benefits as full-time employees and part-time employees are also covered by the company's incentive scheme.

Diversity and non-discrimination

At PowerCell, we value diversity and inclusion. Employees from varied backgrounds enrich our culture and support our commercial success. We are proud to have a workforce representing about 27 different nationalities. We provide equal opportunities and do not accept any discrimination related to ethnic background, beliefs, age, nationality, gender identity or expression, sexual orientation, political opinion, trade union membership, language, marital status or disability. We do not tolerate discrimination, sexual, physical or psychological harassment or victimisation, including bullying of our employees.

Everyone working for PowerCell has a responsibility in their day-to-day work to ensure compliance with these commitments. Two cases of discrimination were reported in 2024, both of which were dealt with in accordance with PowerCell's equal treatment and non-discrimination policy and processes. Both cases were closed during the year.

A culture of openness

A working environment characterised by openness and dialogue between employees and employers stimulates innovation and efficient ways of working. We promote openness and employees should feel comfortable expressing their views and opinions without risking negative consequences. A basic rule is that no one should be punished, discriminated against or harassed for expressing dissatisfaction or reporting errors. If employees wish to report non-compliance, in the first instance they must contact their line manager or HR. They can also contact their manager's manager or someone in Group management. PowerCell also has an anonymous, independent whistleblower service available via the intranet and the website for suspected violations of the Code of Conduct or other serious misconduct.

We regularly measure employee engagement as we see it as a key factor in our success in continuing to create value and exceed customer expectations. The employee engagement score has been stable in recent years.

Employee data

Work-related injuries for all employees

	2024	2023	2022	2021
Number of high-consequence work-related injuries	0	0	0	0
Number of recordable work-related accidents	4	5	3	3
Percentage of recordable work-related accidents, based on 200,000 hours worked	2.6	3.2	2.6	3.7
Number of fatal accidents	0	0	0	0
Total hours worked	**305,760**	**314,080**	**232,960**	**162,240**

No employees have been excluded from this disclosure. Accidents relate mainly to minor cuts and bruises and electric shocks. High-consequence injuries are injuries from which the employee cannot recover or cannot be expected to recover fully within six months. Total hours worked have been calculated by multiplying the number of employees (FTE) at the end of the year by 2,080 hours worked.

Work-related injuries for workers who are not employees

	2024	2023	2022	2021
Number of high-consequence work-related injuries	0	0	0	0
Number of recordable work-related accidents	0	1	0	0
Number of fatal accidents	0	0	0	0
Total hours worked	**N/A**	**N/A**	**N/A**	**N/A**

Workers who are not employees are those who perform work for the organisation and whose work is controlled by the organisation, but they are not in an employment relationship with the organisation. Accidents refer to minor cuts and bruises.

Work-related ill health

Employees	2024	2023	2022	2021
Number of fatalities as a result of work-related ill health	0	0	0	0
Number of cases of recordable work-related ill health	0	0	2	2
Workers who are not employees				
Number of fatalities as a result of work-related ill health	0	0	0	0
Number of cases of recordable work-related ill health	0	0	0	0

The recordable cases are due to stress-related illnesses such as burnout.

Absence due to illness

	2024	2023	2022	2021
Absence due to illness (number of sick days in relation to total working hours)	2.2%	2.6%	2.0%	1.0%
Number of sick days	961	817	515	209
Number of sick days per employee	6.5	5.4	4.6	2.5

Employees are measured as full-time equivalents (FTEs).

Performance and career development reviews

Percentage of employees with development reviews recorded during the year, %	2024	2023	2022	2021
Women/Men	83/78	84/85	91/85	78/67

Ratio of basic pay and allowances of women to men

Women/Men, %	2024	2023	2022	2021
Engineers	51.4/48.6	52/48	50/50	51/49
Middle managers	48.4/51.5	48/52	47/53	51/49
Group management	49/51	52/48	54/46	55/45

Number of employees by gender and terms of employment

Women/Men	2024	2023	2022	2021
Total	**38/109**	**39/112**	**31/81**	**20/58**
Permanent employees	33/101	31/106	26/74	15/49
Temporary employees	4/8	6/8	3/9	N/A
Employees with non-guaranteed hours	0/0	1/1	4/3	3/3
Full-time employees	38/106	37/111	31/81	20/58
Part-time employees	0/3	2/3	1/1	0/1

Calculated as at 31 December of the respective year. Permanent, temporary and full-time employees are measured as full-time equivalents (FTEs). Employees with non-guaranteed hours and part-time employees are measured as headcount.

Number of employees by region and terms of employment

As at 31 December 2024, number in brackets as at 31 December 2023	Sweden	Rest of Europe	US	China**	Total
Number of employees	144 (147)	2 (2)	1 (0)	0 (2)	147 (151)
Number of permanent employees	132 (133)	2 (2)	1 (0)	0 (2)	135 (137)
Number of temporary employees	12 (14)	0 (0)	0 (0)	0 (0)	12 (14)
Number of employees with non-guaranteed hours*	0 (2)	0 (0)	0 (0)	0 (0)	0 (2)
Full-time employees	141 (147)	2 (2)	1 (0)	0 (2)	144 (151)
Number of part-time employees*	4 (5)	0 (0)		0 (0)	4 (5)

*Permanent, temporary and full-time employees are measured as full-time equivalents (FTEs). Employees with non-guaranteed hours and part-time employees are measured as headcount. The rest of Europe consists of Germany and Norway.
**The China office closed in early 2024.

Distribution of Board members and employees by gender and age group

Women/Men, %	2024	2023	2022	2021
Board of Directors	**43/57**	**43/57**	**43/57**	**29/71**
Under 30 years old	0/0	0/0	0/0	0/0
30–50 years old	14/14	14/14	14/14	0/14
Over 50 years old	29/43	29/43	29/43	29/57
Employees	**26/74**	**26/74**	**26/75**	**26/74**
Under 30 years old	7/8	8/18	7/17	4/14
30–50 years old	13/49	13/42	12/41	13/44
Over 50 years old	6/17	5/14	7/16	9/17

Calculated as at 31 December of the respective year. In some cases the total is over 100% due to rounding.

Number of new employees by region, gender and age

Women/Men, FTE	Sweden	Rest of Europe	US	China	**Total**
Under 30 years old	3/0 (4/15)	0/0 (0/0)	0/0 (0/0)	0/0 (0/0)	**3/0 (4/15)**
30–50 years old	3/3 (5/13)	0/0 (0/0)	0/1 (0/0)	0/0 (0/0)	**3/4 (5/13)**
Over 50 years old	0/1 (1/2)	0/0 (0/0)	0/0 (0/0)	0/0 (0/0)	**1/1 (1/2)**

Calculated as at 31 December 2024, number in brackets as 31 December 2023.

Employee turnover by region and age group

Women/Men, FTE	Sweden	Rest of Europe	US	China*	**Total**
Under 30 years old	0/4 (2/1)	0/0 (0/0)	0/0 (0/0)	0/0 (0/0)	**0/4 (2/1)**
30–50 years old	2/5 (1/5)	0/0 (0/0)	0/0 (0/0)	1/1 (0/0)	**3/6 (1/5)**
Over 50 years old	0/3 (1/2)	0/0 (0/0)	0/0 (0/0)	0/0 (0/0)	**0/3 (1/2)**
Total	**2/12 (4/8)**	**0/0 (0/0)**	**0/0 (0/0)**	**1/1 (0/0)**	

Calculated as at 31 December 2024, number in brackets as 31 December 2023.
*The China office closed in early 2024.

Workers who are not employees

Calculated as the average number of FTEs during the year	**2024**	2023	2022	2021
Number of full time equivalents	10	14	17	27

Consultants are hired mainly in IT, manufacturing, technical design, purchasing, technology and marketing. The number of consultants has been relatively stable over the year.

Employees covered by collective bargaining agreements

Calculated as at 31 December of the respective year	**2024**	2023	2022	2021
Percentage of employees covered by collective bargaining agreements	98%	97%	95%	95%

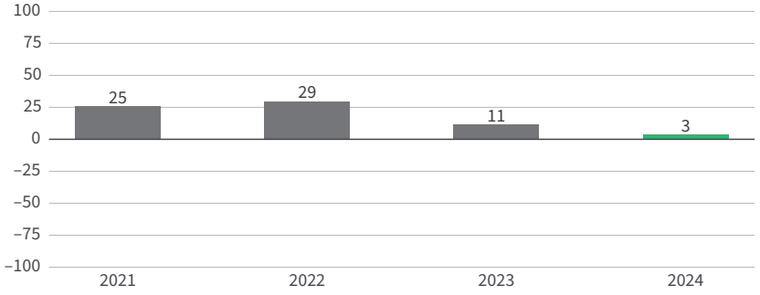
Measured as a percentage of the total number of full time equivalents (FTEs).

Parental leave

Women/Men	**2024**	2023	2022	2021
Number of employees entitled to parental leave*	38/109	39/112	39/91	39/91
Number of employees taking parental leave*	7/20	8/19	4/6	4/6
Number of employees returning after parental leave*	6/19	6/19	4/6	4/6
Number of employees who returned after parental leave and were still employed twelve months after returning*	6/18	6/18	3/6	3/6
Percentage of employees who took parental leave and returned to work %	85/95	75/100	100/100	100/100
Percentage of employees who returned after parental leave and were still employed twelve months after returning, %	85/90	75/95	75/100	75/100

*Measured as the number of people.

Employee engagement



*Employee engagement is measured according to the Employee Net Promotor Score (eNPS). The scale ranges from –100 to +100. Values between 10 and 30 are considered good, and values above this are considered excellent.

Responsible sourcing

When we source goods, we always strive to consider the sustainability aspects to ensure that we contribute to reducing greenhouse gas emissions with limited impact on the environment, human rights or business ethics.

Our contribution to the UN Sustainable Development Goals

16.5 Substantially reduce corruption and bribery in all their forms

Reporting with reference to GRI standards:
204 Procurement Practices 2016
205 Anti-corruption 2016
308 Supplier Environmental Assessment 2016
407 Freedom of Association and Collective Bargaining 2016
408 Child Labor 2016
409 Forced or Compulsory Labor 2016

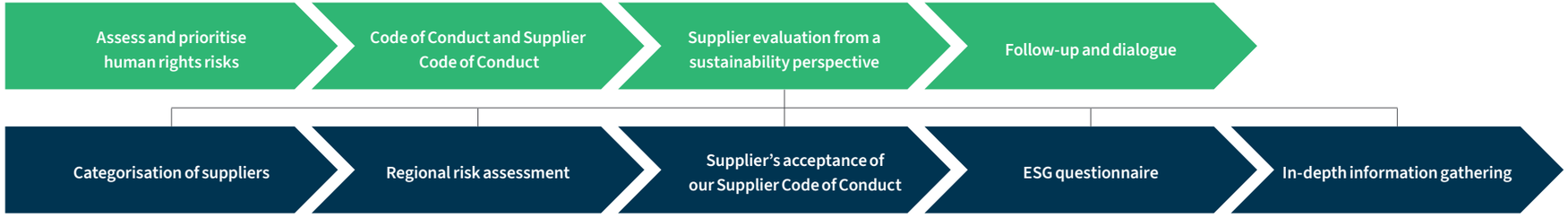
We rely on our suppliers and their ability to deliver on time and with high quality. For us, it goes without saying that they must meet the same standards as we do in terms of the environment, business ethics and human rights. This is why we evaluate them on the basis of factors such as price, quality and durability. In 2024, PowerCell has continued to develop our work on sourcing and supplier assessments to fulfil the criteria of the minimum safeguards under the EU Taxonomy Regulation. Our efforts to safeguard human rights are based on the UN Global Compact and its ten principles, as well as the OECD Guidelines for Multinational Enterprises.

In 2024, we have developed our process to safeguard human rights in the supply chain (see the figure below). We have reviewed our Employee Code of Conduct and our Supplier Code of Conduct on the basis of our identification and prioritisation of our Salient Human Rights Issues. We conduct risk-based due diligence in our supply chain, categorising our suppliers on the basis of purchase volume and strategic importance.

We conduct a regional risk assessment using a country risk index based on corruption, labour rights, human rights, environment and slavery. Suppliers need to agree to our Supplier Code of Conduct or be able to demonstrate that they have their own code of conduct that is at least equivalent to our requirements. Suppliers then fill in a form that contains questions about the scope and management of their work related to the environment, health, safety and human rights. The results of the questionnaire, together with the regional risk assessment, provide us with a basis for further information gathering, which may involve site visits and/or in-depth evaluations. A corrective action plan is drawn up in consultation with the supplier in instances where we identify significant deviations from our expectations. Suppliers can be phased out in cases where they fail to accept our action plan. Our supplier evaluations form the basis for continuous dialogue and follow-up. During the year, we conducted site visits to existing key suppliers and potential new suppliers to assess working conditions for their employees and to ensure that they live up to PowerCell's expectations in terms of quality and sustainability.

We always evaluate new suppliers of direct materials and conduct periodic follow-ups of the evaluation afterwards. We evaluated 108 suppliers in 2024. Of these, 91 percent responded to the ESG questionnaire. 44 percent gave non-compliant answers to at least one question about the environment, such as having no targets or processes for reducing waste or pollution. Action plans as a result of non-compliant answers include ISO 14001 certification. Around 15 percent of respondents gave non-compliant answers to at least one question on social conditions. Examples of negative impacts include a poor working environment or inadequate protective equipment, or a lack of policy on accountability/safety standards. Of these, 8 percent have been deemed to warrant a corrective action plan. In around 1 percent of supplier evaluations, non-conformities related to the environment or working conditions were so significant that we chose to discontinue our cooperation with the supplier. 100 percent of our new direct material suppliers have been assessed on the basis of environmental and social conditions. More information about our suppliers can be found in the section on our value chain on page 42.

Process to safeguard human rights



A company with good business ethics to make a positive contribution to society

We aspire to making a positive contribution to the communities in which we operate. We create opportunities for local development and want to grow by engaging in an active and constructive dialogue with authorities, decision-makers and representatives of local communities.

Our contribution to the UN Sustainable Development Goals

16.5 Substantially reduce corruption and bribery in all their forms

PowerCell is committed to respecting and promoting internationally recognised human rights throughout our operations. As a signatory to the UN Global Compact, we integrate its principles into our work and operate in accordance with the OECD Guidelines for Multinational Enterprises on Corporate Responsibility. In 2024, we developed our human rights due diligence process on the basis of the OECD Due Diligence Guidance for Responsible Business Conduct.

Our Code of Conduct provides guidance on how we should behave in our daily work and our dealings with key stakeholders. By the beginning of 2024, all employees – including the Board of Directors – had read and approved the Code of Conduct during the previous 12-month period. All new employees must read and agree to the Code of Conduct.

One of the cornerstones of our Code of Conduct is zero tolerance for all forms of corruption, bribery, backhanders, kick-backs, money laundering or fraud, and we apply this zero tolerance approach throughout our value chain. In 2023, we developed a Supplier Code of Conduct based on PowerCell's Code of Conduct, which contains more streamlined expectations and requirements for our supply chain. In 2024, the Code of Conduct has evolved in light of our efforts to identify and prioritise our Salient Human Rights Issues.

PowerCell provides relevant employees with anti-corruption training at least every three years and when hiring new employees in order to identify and prevent corruption. Our employees must not give or offer gifts, meals or entertainment that could be perceived as being offered in exchange for something, such as the award of a new contract. This includes providing or offering benefits in order for the recipient to influence a decision-maker exercising public authority or deciding on public procurement. We do not make contributions to politicians or political parties.

Knowledge sharing

The transition to fossil-free energy systems requires new skills and new solutions. As a leading supplier of hydrogen-electric solutions, PowerCell has unique expertise that is of value to us, our value chain and the communities in which we operate. We regularly share our applied knowledge, including through lectures at universities such as Chalmers, KTH and other universities. We also attend centres of excellence such as the Swedish Electromobility Center, TechForH2 and the Competence Centre for Catalysis (KCK). Every year, we offer a number of paid work experience placements to young people who have recently completed their secondary education and want to try out the engineering profession. Work placements are offered through Teknikspränget, a programme run by the Royal Swedish Academy of Engineering Sciences (IVA) with the aim of securing Sweden's future skills supply by attracting more young people into higher technical education.

Sponsorships

We may offer various sponsorships and donations to the community and other stakeholders, including commercial sponsors for the purpose of promoting our brand, charitable donations, or provide grants to support activities that benefit our company. The purpose of all sponsorships and donations must be consistent with our core values and the Code of Conduct and must be approved by authorised managers. We are also part of "Jobbspränget", an initiative to help foreign talent with an academic degree assimilate into the community through work placements.

Our tax policy

PowerCell's tax policy is approved annually by the Board of Directors. Today, we create the greatest value for local communities through the jobs we create. Our growth plans mean that eventually we will also pay corporation tax. We do not engage in aggressive or artificial transactions whose sole or main purpose is to create a tax advantage. We always abide by the applicable tax rules in each country and municipality where the business is based and we pay our taxes on time. As we grow and gain a foothold in more markets, the complexity of our business transactions will increase. We have therefore started work on developing internal pricing to ensure Group-wide transparency regarding internal pricing that is in line with our tax policy.

High level of IT security

Nowadays, the risk of data breaches and cyber attacks is a daily reality that our IT department is constantly working on. We must always ensure that we have appropriate systems in place to guard against the risks. We have a clear regulatory framework for how personal data should be processed and regularly train all employees in both IT security and data privacy issues.

We have not identified any substantiated complaints concerning breaches of customer privacy or loss of personal data, or received complaints from regulatory bodies in 2024.

Good business ethics

Since its establishment in 2008, PowerCell has never received any fines or incurred any losses related to corruption or fraud. Neither has the company had any public cases of corruption brought against the organisation or its employees. PowerCell has also not confirmed any cases of corruption or dismissed or disciplined any employees in relation to corruption. The company has not experienced any incidents where contracts with business partners were terminated or not renewed due to violations related to corruption. Neither has the Company been the subject of any legal action related to anti-competitive behaviour, anti-trust or monopoly practices. If PowerCell directly causes or contributes to negative impacts, appropriate redress for affected stakeholders will be determined through our redress process.

PowerCell – a value-creating leader in hydrogen-electric solutions

We create significant direct and indirect value for our stakeholders.

Our assets	Stakeholder	Type of direct value	Direct value created in 2024	Direct value created in 2023	Direct value created in 2022	Indirect value created
147 employees (FTEs) Commercial portfolio Leading technology Over 25 years' experience	Customers	Sales	SEK 334.3m	SEK 310.3m	SEK 244.7m	We create added value for our customers by offering leading zero-emission solutions which help them achieve their climate goals. Our zero-emission products also contribute to improved local air quality as well as less noise and vibration compared with internal combustion engines.
	Employees	Pay, allowances and pensions	SEK 116.0m	SEK 101.0m	SEK 83.5m	We offer meaningful and developed workplaces with fair terms and safe working conditions.
	Suppliers	Purchase of services, materials and products	SEK 218.1m	SEK 186.3m	SEK 131.7m	We offer long-term partnerships in a rapidly growing market.
	Society	Social security contributions	SEK 30.5m	SEK 25.3m	SEK 22.0m	We are a key enabler in the transition to a zero-emissions society. In this transition, we also create value by offering new job opportunities and making use of suppliers in local areas. Our zero-emission products also contribute to improved local air quality as well as less noise and vibration compared with internal combustion engines.
	Investors	Total return	–22.9%	–61.6%	–35.7%	We offer the opportunity to invest in a leading commercial portfolio of hydrogen-electric solutions targeting strong growth segments. Shares on Nasdaq Stockholm were up 16.9 percent in 2023, measured by the OMXS30GI index. PowerCell's share has increased 443.6 percent since its listing on the Nasdaq First North Growth Market in 2014. During the same period, OMXSCAPGI increased 156 percent.

PowerCell is involved in a number of projects, many of which are funded by the EU or government bodies. Our own research and development costs in 2024 amounted to SEK –110.9 million (–114.5), representing 36.9 percent (33.2) of sales.

Organisations we are part of

We are part of several selected organisations working to accelerate the transition to a fossil-free society.

Hydrogen Sweden
Hydrogen Sweden represents over 150 Swedish companies and organisations from the hydrogen value chain. The organisation heads up several projects focusing on hydrogen to drive technology development, develop new business models and create new expertise. The projects are supported by the EU and the Swedish government, among others.

European Clean Hydrogen Alliance
The European Clean Hydrogen Alliance aims to promote investments and stimulate clean hydrogen production and use. Set up in July 2020, the European Clean Hydrogen Alliance is part of the EU's efforts to ensure industrial leadership and accelerate the decarbonisation of industry.

Hydrogen Europe
Hydrogen Europe is a European association representing over 500 members, including 25 EU regions and over 30 national associations. The association promotes hydrogen as an enabler for a zero-emissions society.

FCHEA
The Fuel Cell and Hydrogen Energy Association (FCHEA) is the leading industry organisation in the United States representing more than 85 leading companies and promoting the production, distribution and use of innovative, clean, safe and reliable hydrogen energy.

Mission Innovation
The Mission Innovation Hydrogen Fuel Cell Off-Road Equipment and Vehicles Working Group is supported by the Department of Hydrogen and Fuel Cell Technology (HFTO) of the US Department of Energy. PowerCell is a member of the stakeholder group for fuel cells and powertrains.

Clean Aviation
The Clean Aviation Joint Undertaking is the EU's leading research and innovation programme for transforming aviation towards a sustainable and climate-neutral future. The Clean Aviation Joint Undertaking operates at the core of a broad and diverse ecosystem of players across Europe ranging from the aviation industry, pioneering SMEs, research institutions and academia.

ZESTAs
ZESTAs' objective is to promote the rapid and large-scale uptake of Zero Emissions Ship Technology (ZEST). This is done by informing regulators, decision-makers and the shipping industry about available zero-emission ship technologies and advocating legislation requiring the uptake of zero-emission technologies. ZESTAs is an advisory body to the International Maritime Organisation (IMO).

Report on EU taxonomy

Introduction
Despite the fact that we do not currently meet the thresholds for the number of employees and turnover as defined in Section 10, Chapter 6 of the Swedish Annual Accounts Act, PowerCell has chosen to report according to the EU taxonomy. We believe that the purpose and goals of the taxonomy are consistent with our ambition for sustainable development and climate change mitigation, and that the information is valuable to our stakeholders. It is also a step towards preparing for future CSRD implementation. In 2023, we calculated how much of our business were covered by taxonomy eligibility in terms of sales, capital expenditure (CapEx) and operating expenses (OpEx). This year, we have expanded our reporting to include an assessment of compliance, known as taxonomy alignment.

To be aligned with the EU taxonomy, the economic activity covered by any of the delegated acts must fulfil the technical screening criteria of contributing significantly to at least one of the six target areas of the taxonomy and not causing significant harm to any of the other targets (DNSH). Furthermore, the business needs to fulfil the criteria for the minimum safeguards, which require the company to comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In 2024, PowerCell has chosen to report how we assess our fulfilment of the requirements of the EU taxonomy. Calculations and conclusions have been developed to the best of our knowledge with the support of external expertise. The taxonomy accounts are not audited by a third party auditor. Combined with the fact that the taxonomy is continuously developed and revised, this means that assessments and calculations may change in future years.

Assessment of scope
PowerCell's activities have been assessed against the activities listed in the Taxonomy Regulation delegated act on climate change mitigation and adaptation (EU 2021/2139), as well as the Taxonomy Regulation delegated act on the environment (EU 2023/2486). On the basis of this evaluation, PowerCell is of the opinion that the company's main activities contribute directly to the EU taxonomy's goal of mitigating climate change. PowerCell is not considered to carry out any additional activities covered by the other environmental goals.

Under the Climate Change Mitigation goal, PowerCell is considered to be covered by the following economic activities:

- Activity 3.2 – Manufacture of equipment for the production and use of hydrogen. This activity includes our manufacturing and sales of commercial fuel cell stacks and fuel cell systems, including royalties from our commercial fuel cell technology.
- Activity 9.1 – Close to market research, development and innovation. This activity includes sales and development projects of fuel cell stacks and fuel cell systems that are not deemed to be fully commercialised on the market, and are at a TRL (Technological Readiness Level*) of at least TRL 6.

All of the above activities are categorised as enabling activities in accordance with the taxonomy definition.

Activities not covered
The part of turnover, CapEx and OpEx classified as not covered is revenue, capital expenditure and operating expenditure not directly related to the production of equipment for the use of hydrogen (Activity 3.2) or market-related innovation and development (Activity 9.1). Examples include investments in R&D projects at TRL levels lower than 6. Compared to the 2023 report, this year we have chosen not to report Activity 9.3, Professional services related to energy performance of buildings, as this activity represents a negligible (<1 percent) share of our revenue and cost streams.

Accounting policies
PowerCell's calculation of turnover, CapEx and OpEx for covered activities are described on pages 38–40. The taxonomy reporting is based on our financial statements prepared under IFRS. To determine whether the economic flows are aligned with the taxonomy, they have been assessed against the relevant technical criteria, DNSH requirements and minimum safeguards.

As the taxonomy has a narrower definition of OpEx than the financial accounts, the taxonomy's key ratios for OpEx are not comparable with other operating expenses in the financial accounts.

*TRL according to the EU definition of TRL for hardware and system technologies: https://euraxess.ec.europa.eu/career-development/researchers/manual-scientific-entrepreneurship/major-steps/trl

Turnover
We used PowerCell Group's total turnover as the denominator when calculating the proportion of aligned turnover. See Note 6 – Net sales on page 68. The numerator is calculated as the part of net turnover derived from products or services, including intangible ones, associated with economic activities that comply with the applicable taxonomy requirements.

The covered turnover includes turnover from the economic activities Activity 3.2 – Manufacture of equipment for the production and use of hydrogen and Activity 9.1 – Close to market research, development and innovation. We have allocated to Activity 3.2 turnover related to sales of fuel cell stacks and systems in commercial use; and we have allocated to Activity 9.1 turnover related to sales of products and services linked to non-commercial fuel cell systems with TRL level above TRL 6, such as demonstration plants, pilots and customer development projects.

Capital expenditure (CapEx)
Capital expenditure refers to investments in both tangible and intangible assets.

The taxonomy classifies the capital expenditure to be included in the numerator according to three categories:
(a) Expenditure for taxonomy-aligned existing activities.
(b) Expenditure to expand existing taxonomy-aligned activities, or make non-aligned activities aligned.
(c) Expenditure that in itself results in emission reductions or other environmental improvement, provided that the measures are implemented within 18 months.

The denominator includes additions to tangible and intangible assets in the relevant financial year before depreciation and amortisation and any revaluations, including those arising from impairment losses, for the relevant financial year and excluding changes in fair value. Capital expenditure includes the costs recognised in accordance with the applicable accounting standards that correspond to the costs included in the capital expenditure of non-financial corporations applying IFRSs.

Operating expenditure (OpEx)
When calculating the share of aligned operating expenditure, we have included in the denominator direct costs not recognised as assets, relating to research and development, building renovation, short-term leases, maintenance and repairs, and all other direct expenditure relating to the day-to-day maintenance of tangible fixed assets and required to ensure the continuous and proper functioning of these assets.

The numerator includes the part of the operating expenditure in the denominator to which one of the following applies:
(a) They relate to assets or processes associated with economic activities that are aligned with the taxonomy requirements.
b) It is part of the capital expenditure plan to expand the economic activities that are aligned with the taxonomy requirements or that allow taxonomy-eligible economic activities to become taxonomy-aligned within a predefined timeframe.
(c) These relate to the purchase of outputs from economic activities that are aligned with the taxonomy requirements and individual measures that enable the target activities to become low-carbon or lead to reduced greenhouse gas emissions, as well as individual building renovation measures.

As PowerCell's operating expenses in the financial accounting are not currently reported under the taxonomy's economic activities 3.2 and 9.1, the allocation of operating expenses has been derived on the basis of the same distribution as the proportion of aligned turnover.

Assessment of alignment
Substantial contribution
PowerCell has evaluated the EU taxonomy criteria for substantial contributions for economic activities 3.2 and 9.1 respectively. For Activity 3.2, the criterion of substantial contribution is fully met for our commercial fuel cell stacks and systems. For Activity 9.1, we have analysed our financial flows from close to market research, development and innovation and filtered out the products and projects that are at least at TRL 6. These projects were then evaluated against the applicable criteria for substantial contribution and found to fulfil the requirements.

Does not cause significant harm (DNSH)
Climate change adaptation
The DNSH criteria for both Activity 3.2 and 9.1 are described in Appendix A of the Delegated Climate Act. Based on PowerCell's assessment, the company fulfils the DNSH criteria for both Activity 3.2 and Activity 9.1.

PowerCell has conducted a robust risk and vulnerability analysis to assess how climate change could affect our headquarters and production facility. Our smaller offices in Norway, Germany and the US have not been analysed as they are not regarded as being business-critical for PowerCell*. The analysis has evaluated physical climate risks and identified climate adaptation measures in accordance with the requirements of the EU taxonomy, and also on the basis of the Swedish Construction Federation's recommendation on the implementation of climate risk and vulnerability analysis in accordance with the EU taxonomy. The outcome of the analysis has been used to develop an action plan with adaptation measures for relevant climate risks, including floods and wildfires. PowerCell has not been able to identify any climate risks that pose a high vulnerability.

Sustainable use and protection of water and marine resources
The DNSH criteria for Activity 3.2 are described in Appendix B of the Delegated Climate Act. For Activity 9.1, the DNSH criterion is that potential risks of impacts on water status from the developed technology or product should be assessed and addressed. PowerCell is of he opinion that we fulfil the DNSH criteria for Sustainable use and protection of water and marine resources for Activity 3.2, as well as for Activity 9.1.

Activity 3.2: PowerCell's activities are not subject to legal requirements linked to the EIA Directive (85/337/EEC). In 2024, PowerCell conducted a risk analysis regarding water quality and water stress. PowerCell has no manufacturing in water stressed areas according to the WRI Water Risk Atlas and the WWF Water Risk Filter. In March 2024, Gothenburg's environmental administration conducted a routine inspection at PowerCell with no significant remarks related to environmental and water risks. PowerCell does not release water into the local environment. We regularly analyse the water from our lab and testing operations where cooling water is used in the fuel cell systems, and residual water from the fuel cell systems is discharged to the municipal water network. We monitor concentrations of PFAS and metal ions, for instance, and do not exceed any regulatory or guidance limits for the water returned to the municipal sewerage network. We are actively evaluating PFAS-free alternatives and phasing out materials in favour of PFAS-free materials in our products where possible.

Activity 9.1: PowerCell maintains a systematic approach to identifying, evaluating and mitigating environmental risks from our operations and products, and through these we are of the opinion that the DNSH criteria for Activity 9.1 are met.

Transition to a circular economy
The DNSH criteria for Activity 3.2 mean that for the economic activity, the company has to evaluate and, where applicable, implement technologies and practices to promote the transition to a circular economy. For Activity 9.1, potential risks to the circular economy must be evaluated from the product, technology or solution and addressed by evaluating potential significant negative impacts according to Article 17(1), subsection (d) of (EU) regulation 2020/852. PowerCell is of the opinion that, based on our resources and conditions, the company has implemented circular technologies and principles where possible and evaluated the potential negative impact of our products and technologies and thus fulfils the DNSH criteria for the Transition to a Circular Economy based on the requirements set out under both Activity 3.2 and Activity 9.1.

Activity 3.2: PowerCell is working to contribute to the transition to a circular economy through policies, procedures, goals and specific efforts. We are actively exploring how to increase product reuse and develop circular business models in collaborative projects with key

* This choice is based on FAQ 128 of the Draft Commission Notice of 29 November 2024. This clarification describes the fact that the purpose of a climate risk and vulnerability analysis is to identify the material physical climate risks that may impact the outcome of the economic activity and the assets on which the economic activity depends for performance and continuity. This interpretation has been applied to PowerCell's situation, where the smaller offices have not been deemed crucial for the execution of the company's economic activities, which means they are not considered business-critical.

suppliers, for example, exploring how fuel cell systems can be efficiently inspected, dismantled and repaired to enable business models using reused fuel cells. Product service life is high on the product development agenda, and we have goals for the percentage of waste that can be recycled. We have a high degree of traceability for the products we sell.

Activity 9.1: PowerCell conducts life cycle analyses on our products to understand the climate and environmental impact from a life cycle perspective. We work systematically to understand and influence areas such as recycling, waste and material utilisation and define goals in the areas where we are deemed to have the greatest impact.

Pollution prevention and control
The DNSH criteria for Activity 3.2 are described in Appendix C of the Delegated Climate Act. The DNSH criteria for Activity 9.1 mean that potential risks of increased emissions to air, water or land from the technology, product or solution must be assessed and addressed.

Activity 3.2: In 2024, we have thoroughly evaluated whether we manufacture, place on the market or use chemical substances referred to under Appendix C of the Delegated Climate Act. During the year, we have also developed ways of working in order to ensure continuous fulfilment over time. At the end of 2024, there was still work to be done to fully identify chemicals in all our purchased components for the products included in this economic activity and check them against the chemicals listed under the taxonomy requirements for Activity 3.2. We have found no indications of non-compliance to date, but we cannot claim alignment for this activity until a complete set of data is collected and verified against the requirements.

Activity 9.1: For Activity 9.1, we conclude that we fulfil the taxonomy requirements. Fuel cells emit water and heat, with limited noise pollution. PowerCell is certified according to ISO 14001 and has a structured approach to identifying and mitigating risks to the environment, including chemicals, waste and emissions to land, water and air.

Protection and restoration of biodiversity and ecosystems
The DNSH criteria for Activity 3.2 are described in Appendix D of the Delegated Climate Act. The DNSH criteria for Activity 9.1 mean that potential risks to the impact of the technology, product or solution on the status or resilience of ecosystems or the protection of habitats and species must be assessed and addressed. PowerCell is of the opinion that we fulfil the requirements of Activity 3.2 and Activity 9.1.

Activity 3.2: PowerCell's activities are not subject to legal requirements linked to the EIA Directive (85/337/EEC). In 2024, we analysed biodiversity risks using the WWF Biodiversity Risk Filter. On the basis of this risk analysis, no material adverse impacts on biodiversity have been identified. We also work continuously to identify and mitigate environmental risks within the framework of ISO 14001. PowerCell has no operations in or near areas with protected or sensitive habitats.

Activity 9.1: Fuel cells emit water and heat, with limited noise pollution. Our product manuals describe how to use our products safely and provide information on recycling in order to minimise the impact on the environment and nature. We are actively evaluating PFAS-free alternatives and phasing out materials in favour of PFAS-free materials in our products where possible.

Criteria for minimum safeguards
PowerCell is of the opinion that we fulfil the EU taxonomy criteria for minimum safeguards. We follow the United Nations Guiding Principles on Business and Human Rights ("UNGPs") and the OECD Guidelines for Multinational Enterprises. Our commitment to human rights is embedded in several policies at the highest level, including our Sustainability Policy, HR Policy and our Codes of Conduct for employees and suppliers.

In 2024, we have carried out work to identify Salient Human Rights Issues and develop our Human Rights Due Diligence Process: more details on this work can be found on page 32. We have a whistleblowing policy and a reporting channel where stakeholders can anonymously report matters such as negative human rights impacts. We regularly provide employees with anti-corruption training, and we have clear requirements for ethical business practices and fair competition in our Codes of Conduct for both employees and suppliers. Since its establishment in 2008, PowerCell has never received any fines or incurred any losses related to corruption or fraud. Neither has the company had any public cases of corruption brought against the organisation or its employees. Nor has PowerCell been the subject of any legal action related to anti-competitive behaviour, anti-trust or monopoly practices. PowerCell's tax policy is to pay taxes where the value is created. Our tax policy stipulates that we shall not engage in aggressive or artificial transactions the sole or main purpose of which is to create a tax advantage.

Our human rights work is continuously evolving. In 2024, we joined the UN Global Compact's Business and Human Rights Accelerator programme, which provides us with useful guidance for further work on this issue.

Turnover Economic activities (1)	Code (2)	Sales (3) KSEK	Portion of turnover, 2024 (4) %	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum safeguards (17) Y/N	Portion of taxonomy-aligned (A1) or taxonomy-eligible (A2) turnover in 2023 (18) %	Category: enabling activities (20) E	Category: transitional activities (21) T
				Climate change mitigation (5) Y; N; N/EL*	Climate change adaptation (6) Y; N; N/EL*	Water (7) Y; N; N/EL*	Pollution (8) Y; N; N/EL*	Circular economy (9) Y; N; N/EL*	Biodiversity (10) Y; N; N/EL*	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES			**84%**																
A.1. Environmentally sustainable (taxonomy-aligned) activities																			
Close to market research, development and innovation	CCM 9.1	49,531	15%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	N/A	E	
Turnover from environmentally sustainable (taxonomy-aligned) activities (A.1)		**49,531**	**15%**	**15%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**15%**	**0%**
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	232,082	69%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	N	Y	Y	Y	N/A	E	
Turnover from taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		**232,082**	**69%**	**69%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**0%**		
Total (A.1+A.2)		281,613	84%	84%	0%	0%	0%	0%	0%										
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Turnover from non-taxonomy-eligible activities		**52,665**	**16%**																
Total (A+B)		**334,278**	**100%**																

* Y – Yes, the activity is taxonomy-eligible and taxonomy-aligned for the relevant environmental goal.
N – No, the activity is taxonomy-eligible but not taxonomy-aligned for the relevant environmental goal.
N/EL – Not eligible, the activity is not taxonomy-eligible for the relevant environmental goal.
EL – Taxonomy-eligible activity for the relevant goal.
N/EL – Non-taxonomy-eligible activity for the relevant goal.

CapEx Economic activities (1)	Code (2)	Sales (3) KSEK	Portion of turnover, 2024 (4) %	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum safeguards (17) Y/N	Portion of taxonomy-aligned (A1) or taxonomy-eligible (A2) turnover in 2023 (18) %	Category: enabling activities (20) E	Category: transitional activities (21) T
				Climate change mitigation (5) Y; N; N/EL*	Climate change adaptation (6) Y; N; N/EL*	Water (7) Y; N; N/EL*	Pollution (8) Y; N; N/EL*	Circular economy (9) Y; N; N/EL*	Biodiversity (10) Y; N; N/EL*	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES			**19%**																
A.1. Environmentally sustainable (taxonomy-aligned) activities																			
Close to market research, development and innovation	CCM 9.1	0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	N/A	E	
CapEx from environmentally sustainable (taxonomy-aligned) activities (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**0%**	**0%**
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	889	19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	N	Y	Y	Y	N/A	E	
CapEx from taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		**889**	**19%**	**19%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**0%**		
Total (A.1+A.2)		889	19%	19%	0%	0%	0%	0%	0%										
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
CapEx from non-taxonomy-eligible activities		**3,874**	**81%**																
Total (A+B)		**4,763**	**100%**																

* Y – Yes, the activity is taxonomy-eligible and taxonomy-aligned for the relevant environmental goal.
N – No, the activity is taxonomy-eligible but not taxonomy-aligned for the relevant environmental goal.
N/EL – Not eligible, the activity is not taxonomy-eligible for the relevant environmental goal.
EL – Taxonomy-eligible activity for the relevant goal.
N/EL – Non-taxonomy-eligible activity for the relevant goal.

OpEx Economic activities (1)	Code (2)	Sales (3) KSEK	Portion of turnover, 2024 (4) %	Substantial contribution criteria						Do No Significant Harm (DNSH) criteria						Minimum safeguards (17) Y/N	Portion of taxonomy-aligned (A1) or taxonomy-eligible (A2) turnover in 2023 (18) %	Category: enabling activities (20) E	Category: transitional activities (21) T
				Climate change mitigation (5) Y; N; N/EL*	Climate change adaptation (6) Y; N; N/EL*	Water (7) Y; N; N/EL*	Pollution (8) Y; N; N/EL*	Circular economy (9) Y; N; N/EL*	Biodiversity (10) Y; N; N/EL*	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES			**84%**																
A.1. Environmentally sustainable (taxonomy-aligned) activities																			
Close to market research, development and innovation	CCM 9.1	434	15%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	N/A	E	
OpEx from environmentally sustainable (taxonomy-aligned) activities (A.1)		**434**	**15%**	**15%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**15%**	**0%**
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	2,036	69%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	N	Y	Y	Y	N/A	E	
OpEx from taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		**2,036**	**69%**	**69%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**0%**		
Total (A.1+A.2)		2,470	84%	84%	0%	0%	0%	0%	0%										
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
OpEx from non-taxonomy-eligible activities		**462**	**16%**																
Total (A+B)		**2,932**	**100%**																

* Y – Yes, the activity is taxonomy-eligible and taxonomy-aligned for the relevant environmental goal.
N – No, the activity is taxonomy-eligible but not taxonomy-aligned for the relevant environmental goal.
N/EL – Not eligible, the activity is not taxonomy-eligible for the relevant environmental goal.
EL – Taxonomy-eligible activity for the relevant goal.
N/EL – Non-taxonomy-eligible activity for the relevant goal.

Governance in the area of sustainability

PowerCell is a Swedish public company listed on Nasdaq Stockholm. PowerCell's governance is based on the company's guidelines, the principles of the UN Global Compact, the Articles of Association, relevant laws and the Nasdaq Main Market (Stockholm) Rulebook.

The Board is ultimately responsible for PowerCell's sustainability work, which means that it adopts and follows up strategies, policies and goals. The CEO is responsible for developing, implementing and evaluating strategies and policies. The company's Chief Analytics & Sustainability Officer has operational responsibility for sustainability.

The Board of Directors has sustainability as a standing item on Board meeting agendas, with the Chief Analytics & Sustainability Officer as presenter. Sustainability is also a standing item on the agenda of Audit Committee meetings. Critical concerns relating to sustainability are reported to the Board via ordinary Board meetings, the Audit Committee or the whistleblower service.

No critical concerns were reported to the Board in 2024 regarding actual or potential negative impacts from sustainability aspects. Group management discusses sustainability regularly as the topic is an integral part of PowerCell's strategy and business model. Work in the area of sustainability is monitored through internal reporting and follow-up. The identification of risks and opportunities in the area of sustainability and management of the risks are integrated into the established business planning process. In 2022, a thorough risk analysis and identification of the opportunities based on sustainability aspects was carried out by the Vice President together with the rest of Group management. The Board of Directors studied and approved the analysis and action plan for sustainability work which formed the basis for the work in 2024.

PowerCell's risk process focuses on preventive measures. The purpose is to identify, analyse and take measures to manage the risks in the business or to be able to create new business and value from new opportunities. Incidents or risks relating to the environment, employee safety, human rights or business ethics, for example, must be addressed immediately. Measures must be followed up to ensure that the risk is minimised or eliminated at root cause level. Measures are often implemented in collaboration with the relevant stakeholders, such as trade unions, employees, health and safety officers, representatives of local communities or suppliers.

In connection with PowerCell's change of marketplace from Nasdaq First North Growth Market to Nasdaq Stockholm in late 2023, the company's processes with regard to governance and risk management were reviewed in detail by external lawyers and auditors to ensure compliance with all applicable requirements.

Supranational regulations

In 2023, PowerCell joined the UN Global Compact thereby committing to actively working with the UN Global Compact's ten principles for sustainable development in the areas of human rights, working conditions, the environment and anti-corruption. The principles of the UN Global Compact form the basis for the governance of PowerCell, along with the International Bill of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN Declaration on the Rights of the Child and the UN Convention against Corruption.

Policies

The Group-wide policies are revised and adopted by the Board every year. The annual review takes into account the risks and opportunities identified during the year. At the beginning of 2024, the previous environmental policy was replaced by a sustainability policy clarifying PowerCell's ambition and work on sustainability. In the area of sustainability, the Board has adopted the following policies:

- Code of Conduct
- Sustainability Policy
- HR policy
- Privacy policy
- IT policy
- Information security policy
- Risk management policy
- Tax policy
- Whistleblower policy

The policies are available to all employees on the company's intranet. To make it easy for employees to find the policies that are relevant to them, they are available per individual in PowerCell's HR system. The Code of Conduct, Supplier Code of Conduct, sustainability, tax, whistleblower and privacy policies are available in their entirety on the company's website (powercellgroup.com/sustainability). Managers are responsible for ensuring that the policies are implemented and followed. Compliance with the policies is reviewed through PowerCell's internal control framework, where checks are carried out through a self-assessment, which is then reported to the company's management, Audit Committee, Board of Directors and the company's auditors.

New employees must be informed of the Code of Conduct and the whistleblower service on their first working day at the latest. This also includes temporary employees. In 2023, PowerCell established a process whereby employees, temporary employees and Board members must confirm that they have received and read the Code of Conduct by signing it. Suppliers are covered by a specially developed Supplier Code of Conduct, which is based on our Code of Conduct but contains more specific details linked to our expectations and requirements for the supply chain.

Employees who have any questions about the Code of Conduct or observe suspected misconduct that contradicts our values, our Code of Conduct or other policies must get in touch with their line manager, HR or another appropriate person within the organisation. There is also an option to report concerns anonymously via the PowerCell whistleblower service.

Whistleblower service

PowerCell has an external, independent whistleblower service offering guaranteed anonymity. The service is available to all stakeholders in Swedish and English via our website (powercellgroup.com/sustainability). The whistleblower service can be used to report suspected violations of PowerCell's Code of Conduct.

Statement on corporate governance

In addition to the Sustainability Report, PowerCell issues an annual statement on corporate governance as part of the Annual Report. Among other things, this statement describes the work and composition of the Board of Directors and the internal controls. The statement on corporate governance is on pages 52–55.

Our value chain

PowerCell's business concept is to develop and manufacture fuel cell stacks and fuel cell systems with a uniquely high power density. According to the Sustainable Industry Classification System (SICS), PowerCell operates in the Renewable Resources & Alternative Energy sector and in the Fuel Cells & Industrial Batteries industry. As the company grows, so will our impact in the value chain. For PowerCell, sustainability is an integral part of our strategy and we work actively to manage sustainability aspects throughout our value chain.

Product development
Product development is central to strengthening PowerCell's competitiveness and accelerating the transition to a more sustainable energy system. PowerCell's offering is now industrialised, but a high level of customisation is still required in order to meet specific customer requirements. Customer feedback and expectations are an important parameter in the development work. How we design our products affects sustainability factors in the rest of the value chain, including choice of material, life cycle emissions and circular resource flows.

Sourcing
In a rapidly developing industry, PowerCell considers close and long-term cooperation with suppliers as critical. In 2024, PowerCell has extended its efforts on human rights due diligence in the supply chain on the basis of the OECD Due Diligence Guidance for Responsible Business Conduct. Of purchased materials, (99) 98 percent of the purchase value originates from European suppliers and 23 (21) percent from Swedish suppliers. Purchased services represent 99 (98) percent of the purchase value from European suppliers and 91 (87) percent from Swedish suppliers. Of the total purchase value, 99 (98) percent originates from European suppliers and the rest from North America (0.4 percent) and Asia (0.6 percent). See Sustainability note 3 on page 49.

Sales and marketing
PowerCell reaches its customers through several different sales channels. Customer contacts are established at trade fairs and various industry events, through outreach meetings, telephone contact and references. PowerCell's products or services are not prohibited in certain markets or the subject of stakeholder concern or public debate. Creating awareness and helping customers with the transition to sustainable energy systems and maintaining a high level of business ethics are important sustainability issues.

Production
Through a partnership with Robert Bosch GmbH, Bosch is licensed to market, manufacture and supply PowerCell's S3 stack to the automotive industry. In 2023, a supplier agreement was also concluded with Bosch, where they became a supplier of the S3 fuel cell stack for PowerCell. The agreement entails a significantly increased production capacity for PowerCell and enables a focus on increasing deliveries of fuel cell systems and the development of next-generation fuel cell stacks. System assembly and customisation take place in Gothenburg, including stack assembly on a smaller scale.

Service and integration
Integration, installation and engineering services are key elements of PowerCell's offering. These services, including customisation, integration and installation, can be performed both on-site and via remote connection. PowerCell's ambition is to maintain a high level of customer service throughout the product life cycle with a long operational life of our products.

Customers
It is by enabling customers to phase out fossil fuels and install zero-emission solutions that we have the greatest opportunity to create a positive impact in terms of both climate and local air quality. PowerCell targets B2B customers primarily in the Aviation, Marine, Off-road and Power Generation segments. PowerCell sells primarily to Europe and North America. Of total sales in 2024, 81 percent (71) went to Europe, 12 percent (23) to North America and 6 percent (5) to other markets.

Materiality analysis

In 2022, PowerCell carried out a materiality analysis in which all employees participated. The analysis was carried out in a number of seminars led by members of Group management. The analysis was presented to and approved by the Board of Directors. The same materiality analysis forms the basis for reporting in 2024.

The analysis was based on feedback from dialogues with stakeholders and the risks and opportunities identified in the business. When assessing risks and opportunities, we used the UN's 17 Sustainable Development Goals as our starting point. We identified 19 relevant areas related to the following UN Sustainable Development Goals: 3 Good health and well-being, 4 Quality education, 5 Gender equality, 7 Affordable and clean energy, 8 Decent work and economic growth, 9 Industry, innovation and infrastructure, 11 Sustainable cities and communities, 12 Responsible consumption and production, 13 Climate action and 14 Life below water.

In the workshops, employees divided the areas into four categories based on their significance for stakeholders and PowerCell's opportunity to influence. The prioritised categories that the company will focus on are: Robust and reliable products, Lower emissions from PowerCell's operations, Responsible sourcing and Safe, stimulating workplaces.

Of the originally 19 areas, numbers 1–2 and 4–5 were combined into one category: Robust and reliable products. Numbers 8–9 and 13 were combined into the Responsible sourcing category. Numbers 14–18 were combined into the category Safe, stimulating workplaces. Number 12 was not considered relevant because the area is not prioritised by stakeholders and the company currently has little opportunity to influence the area.

The area Recycling of PowerCell's products will be managed going forward and the company will monitor and follow up developments in this area in both the industry and the wider world. The same goes for the areas Production of own green hydrogen and Supporting schools and universities. The company will continue to work with the areas Control of the origin of raw materials and Reuse of heat and water generated by PowerCell's products.

Initial list of sustainability areas:

Financial sustainability

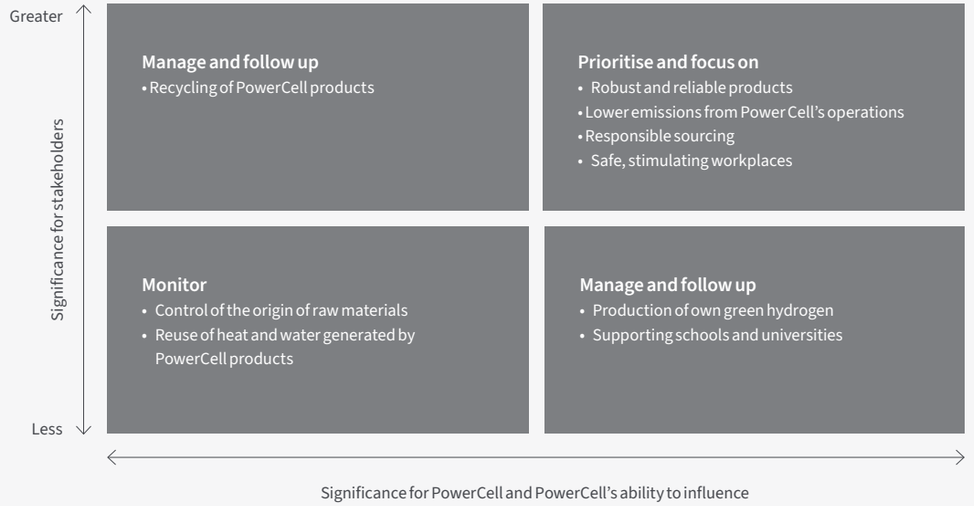
1. Product quality
2. Ease-of-use
3. Recycling of PowerCell's products
4. Provide distributed hydrogen-based energy solutions that operate independently from grids and large-scale infrastructures
5. Provide fully independent and self-sufficient energy solutions by combining PowerCell's technology with local hydrogen production from renewable energy sources

Environmental sustainability

6. Emissions from PowerCell's operations
7. Production of our own green hydrogen
8. Sourcing of sustainable materials
9. Sourcing from local suppliers
10. Control of the origin of raw materials
11. Reuse of heat and water generated by PowerCell's products
12. Protection of marine resources

Social sustainability

13. Responsible sourcing
14. Offering career opportunities
15. Work-life balance
16. Encourage diversity
17. Promote equal opportunities
18. Safe workplaces
19. Building the next generation of qualified employees by supporting schools and universities: offering visits, work placements, master's theses



Stakeholder dialogues

Every day, PowerCell conducts a large number of dialogues with various stakeholders. These dialogues form an important part of PowerCell's materiality analysis. PowerCell reports here the stakeholders who have the greatest influence on the Group's operations and the stakeholders over whom the Group has the greatest influence. The report covers impact, the purpose of dialogue, dialogue opportunities during the year, the issues raised by the stakeholders and how PowerCell handles these.

Stakeholder	Impact in the area of sustainability	Purpose of dialogue	Dialogue opportunities	Prioritised sustainability issues	Management
Customers	Customers influence our financial development and growth through their plans to implement our solutions. We influence through our ability to support them in reducing their emissions.	In close cooperation, develop sustainable, value-adding hydrogen-electric applications.	Business meetings, tenders, negotiations. Trade fairs and customer events. Seminars and other training targeting customers.	Technology roadmap, product quality, safety and operational life. Services offering. PowerCell's financial resilience and ability to ramp up volumes. Fair and equal working conditions. Safe workplaces.	Plans for continued commercialisation and product development. Focus on financial development and position.
Employees	Our employees impact the company by enabling us to exceed customer expectations. We influence employees by offering them attractive, stimulating and safe work opportunities.	To create a high level of motivation among employees, a high degree of knowledge sharing while maintaining the entrepreneurial spirit.	Regular, individual employee appraisals and all-staff meetings. Employee surveys. Intranet. Internal training courses. Trade union cooperation.	Fair and equal working conditions. Opportunities for advancement. Work-life balance. Onboarding of new employees. Safe workplaces.	HR strategy with the aim of creating a high level of motivation among employees and maintaining the entrepreneurial spirit while the company grows with new employees.
Strategic partners	We influence each other through our respective commercial plans and technology development. Ultimately, our shared success impacts society's transition to zero emissions.	To continue the development and commercialisation of hydrogen-electric applications.	Business meetings, joint tenders, negotiations. Joint seminars and training for customers, potential customers and employees.	Technology roadmap, product quality and operational life. Joint services offering. PowerCell's financial resilience and plans to ramp up volumes.	Joint plans and strategies for continued cooperation.
Suppliers	Suppliers influence us through their commercial plans and ability to meet our quality, delivery and sustainability requirements. We influence them through our high standards in terms of quality, delivery reliability and sustainability, among other things.	To create the conditions for long-term collaboration and ensure the suppliers' ability to increase volumes while maintaining quality and delivery reliability.	Business meetings and suppliers' customer surveys. Tenders, negotiations. Seminars, industry events. Supplier assessments and site visits.	PowerCell's Supplier Code of Conduct and suppliers' control of sustainability issues in their value chain. Logistics and the suppliers' ability to ramp up volumes.	Implementation of the Supplier Code of Conduct. Site visits to selected suppliers. Close cooperation with major suppliers.
Investors and potential investors	They affect us by making demands in terms of transparency in financial and sustainability reporting. We influence them through our reporting and ability to create value.	To create the conditions for value creation and continued financing.	Meetings with investors, arranged by banks or directly by the investors.	PowerCell's sustainability work and the environmental impact from its operations. PowerCell's financial resilience and plans to ramp up volumes.	Extended sustainability reporting. Commercialisation and product development. Focus on financial development and position
Society	Society influences us through supranational requirements to reduce emissions and increased demands on companies to report their emissions. We influence by offering leading zero-emission hydrogen-electric solutions for key industries such as aviation, shipping, machinery and gensets.	To highlight PowerCell's role in reducing global emissions. To show PowerCell's importance as a growing company that recruits and contributes positively to society by being an attractive employer and a company that pays tax where value is created.	Meetings with authorities and national authorities as well as local representatives. Permit applications and follow-up. Employee volunteering.	Technology roadmap and commercial progress. PowerCell's potential as a major employer.	Plans for continued commercialisation and product development. Focus on financial development and position. Tax policy which means that PowerCell pays tax where value is created.
Standardisation and certification bodies	They influence us through standards and guidelines in the fields of environment, quality, safety and working environment that are to be respected. We contribute more expertise and experience in cases where new standards need to be developed.	Ensure reliable and robust environmental, quality, safety and working environment processes and practices.	Audits and approval processes.	Environment, quality, safety and working environment.	Certification of processes and products.

Policies within the area of sustainability

	Environmental and climate impact	Social, labour and human rights	Anti-corruption
Policy	• Code of Conduct • Sustainability Policy • Whistleblower policy	• Code of Conduct • Tax policy • Whistleblower policy • Corporate governance policy • Information Security Policy • Sustainability Policy • Privacy policy • Health and safety policy • Gender equality and non-discrimination policy	• Code of Conduct • Sustainability Policy • Whistleblower policy
Key themes	• Commitment to the precautionary principle • Reduction of emissions • Prevent and avoid environmental damage • Systematic reduction of PowerCell's environmental impact	• Priority given to quality and safety • Prevent and avoid injuries • Freedom of association • Equal opportunities • No discrimination accepted • Fair competition • Annual performance reviews • Conflicts of interest • Sponsorships and donations • Community engagement and stakeholder relations • Taxes • Quality management system in place • Data privacy	• Zero tolerance for corruption

About the Sustainability Report

The Sustainability Report covers Powercell Sweden AB (publ) and its subsidiaries as specified in note 15 of the Annual Report. Powercell Sweden AB is a Swedish public company and its shares are listed on Nasdaq Stockholm. Its headquarters are in Gothenburg. In the report, the company name is abbreviated to PowerCell.

The Sustainability Report covers the period 1 January 2024 to 31 December 2024. The Sustainability Report contains information on objectives, results, governance, policies, risks, risk management and opportunities that are relevant to material environmental, social and governance-related aspects and impacts of PowerCell's operations. The sustainability report has not been audited by PowerCell's auditors. PowerCell's business offering, financial performance and technology are described on pages 1–20 and in the Board of Directors' report. The contact person for the Sustainability Report is Chief Analytics & Sustainability Officer Victor Åkerlund, email ir@powercellgroup.com.

Accounting policies and reporting framework

The Sustainability Report has been prepared in accordance with GRI Standards GRI 1: Foundation 2021 (Global Reporting Initiative Standards). In preparing the report, principles for defining content such as stakeholder participation, materiality and completeness, as well as principles for accounting quality such as accuracy, balance, clarity, reliability and time factors, have been applied. In terms of comparability, PowerCell has a three-year comparison period where possible. Changes in accounting compared to 2023: For Scope 3 GHG emissions, indirect emissions from the production of fuel for the use of products sold in 2024 have been recognised as outside the company's own Scope 3 emissions. Calculation errors have been corrected for Scope 3 emissions from employee commuting in 2023. Compared to the taxonomy reporting in 2023, PowerCell 2024 has decided not to report activity CCM 9.3 as it represents only a negligible part of the company's activities.

PowerCell signed the UN Global Compact in 2023 and will submit its Communication on Progress covering the 2024 calendar year in 2025.

CSRD and EU taxonomy

Today, PowerCell is not covered by the CSRD or the EU taxonomy as it fails to meet the thresholds defined by the EU. In 2026 and beyond, there is a possibility that listed small and medium-sized enterprises will be subject to the CSRD; which means that PowerCell will be subject to the ESRS LSME if PowerCell is still a listed company at that time and if the regulations regarding sustainability reporting are not changed regarding size of companies that are obliged to report.
PowerCell is monitoring the development of ESRS standards so that it will be ready to report in accordance with the requirements when they come into force.

Sustainability risks, risk management and opportunities

There are various risks that affect or could affect PowerCell's operations and financial position. PowerCell's operational and financial risks are described in the Board of Directors' report and Note 3. The analysis below covers the risks that PowerCell has identified in the area of sustainability. The risk analysis is based on the GRI standard (Global Reporting Initiative) and the company's value chain as described on page 42. PowerCell's risk process is described in the section Governance in the Sustainability report on page 41.

Sustainability risks in the value chain

PowerCell conducts its main operations in Sweden, where 98 percent of its employees worked in 2024. Other employees were based in the rest of Europe (Germany and Norway) and the US. The China office was closed at the beginning of 2024 with a view to focusing on establishment in the US. Sales are mostly to Europe and North America, 71 percent and 23 percent respectively, where the customers are players in industries regulated through certifications and licences, such as aviation and shipping. Of the total purchase value, 99 percent comes from European suppliers. Given our efforts to identify and analyse sustainability risks in the supply chain, PowerCell assesses that the sustainability risks related to customers are limited. PowerCell clearly requires our suppliers to communicate our sustainability requirements down the value chain, but during the year we have not had the resources to fully map our largest suppliers' subcontractors, and at present we cannot completely rule out the fact that there may be sustainability risks linked to the supply chain in terms of the environment and human rights, for example.

The business model's resilience to sustainability risks

PowerCell's business model means that the company conducts its main operations in Sweden and directs its sales efforts towards customers in Europe and North America. PowerCell offers products that are crucial for customers' ability to reduce their emissions of greenhouse gases and particulate matter. PowerCell believes that the company's offering is of central importance in enabling the intentions of the EU and the US to reduce emissions. PowerCell is exposed to society's ambition to transition towards zero emission technologies. PowerCell assesses that the company's capital-efficient business model gives the company good resilience against transition risks and provides very good opportunities to create significant business benefits through society's transition to zero emissions. Furthermore, the company assesses that other sustainability risks in the value chain are well managed by PowerCell's processes, policies and procedures.

PowerCell's strategies against risks

PowerCell's materiality analysis is based, among other things, on stakeholder dialogues and risk analysis. The materiality analysis is described on page 43 and PowerCell's strategies for managing the prioritised sustainability areas are described on pages 22–33.

Risk	Risk management	Opportunities
Climate, environment and use of resources		
Climate change		
In the short to long term, there is a risk that climate change will lead to higher costs at supplier level through increased environmental fees and regulations. In the medium to long term, there is a risk that weather changes, such as storms and higher water levels, may affect transport options and costs. This may affect PowerCell's costs and financial performance. Climate change is a strong driver of demand for PowerCell's products, and the opportunity to counter climate change constitutes PowerCell's business concept and entire business model. PowerCell has therefore identified climate change as a significant value-creating business opportunity.	PowerCell manages the risk of higher costs in the short to long term at supplier level through agreements that provide the option for price compensation. Regarding the availability of transport that may be affected by climate change, PowerCell makes the assumption that in the medium to long term there will be transport available in Europe and North America powered by climate-friendly energy sources. PowerCell has conducted a climate risk analysis to explore how a changing climate could affect the company's physical assets and developed mitigation measures for the climate risks where PowerCell was assessed as having a medium to high exposure or vulnerability.	Climate change is driving demand for PowerCell's products and the entire business model is based on society moving towards zero emissions.
Climate change adaptation		
There is a risk that a changing climate could adversely affect PowerCell's operations, including through changing wind and precipitation patterns or warmer temperatures. PowerCell assesses the risk of significant negative impacts as low in both the short and long term.	PowerCell has conducted a climate risk analysis based on IPCC climate scenarios 4.5 and 8.5 with a time horizon of 100 years where it has been possible to explore how a changing climate could affect the company's physical assets and developed mitigation measures for the climate risks where PowerCell was assessed as having medium to high exposure or vulnerability. The costs of these measures are assessed to be low.	
Energy consumption and energy efficiency		
In the short term, there is a risk that PowerCell's costs will increase as a result of its inability to adjust prices and reduce energy consumption or increase energy efficiency. In the medium to long term, the risk of PowerCell failing to reduce its energy consumption and increase energy efficiency is assessed as low. In the short to long term, there is a risk that suppliers will fail to reduce energy consumption and increase energy efficiency, which could lead to higher costs for PowerCell.	PowerCell works continuously to lower its energy consumption and increase energy efficiency. In 2021, PowerCell began mapping its Scope 1–3 emissions, which gives the company a tool for following up and reporting its energy consumption and energy efficiency at least annually. PowerCell works closely with its suppliers and encourages energy efficiency in the supply chain.	The sharply increased need in Europe and North America among companies and organisations to reduce energy consumption, increase energy efficiency and increase the share of renewable energy is a strong driver of demand for PowerCell's offering. Bottlenecks in the expansion of the power grid can also promote demand for off-grid solutions, which can favour demand for PowerCell's products.

Risk	Risk management	Opportunities
Recycling and circular business models		
In the short term, there is a risk that PowerCell or its suppliers will not succeed in establishing procedures for recycling and circular business models. The risk is assessed as having a low impact on the financial performance. In the medium to long term, the risk is assessed as low.	PowerCell is exploring opportunities for increased recycling and reuse of its products. In the industry, the goal is to recycle as much as possible and to explore circular business models together with suppliers and customers. PowerCell is working together with our suppliers Bosch and Dana to explore how increased circularity of fuel cell stacks can be achieved.	Circular business models may be a competitive advantage in future business both in terms of cost and generated customer value. Circular business models can also increase the company's resilience to fluctuating prices of raw materials and components.
Use of water and marine resources		
PowerCell assesses that there is a low risk of negative impact on water and marine resources.	PowerCell has been measuring and reporting water consumption since 2022, and we regularly measure the water quality of the water leaving the property. We also use the WWF Water Risk Filter to assess water risks.	PowerCell sees an increasing demand for its products from the shipping industry driven by its need to reduce harmful emissions.
Biodiversity, ecosystems and red-listed species		
PowerCell deems the risk of impact on biodiversity, ecosystems and red-listed species to be low.	PowerCell is ISO 14001 certified. In 2024, we analysed the risk to biodiversity from our operations using the WWF Biodiversity Risk Filter. PowerCell has no operations in or near areas with protected or sensitive biosystems.	
Pollution and handling of harmful substances and hazardous waste		
The risk of PowerCell violating laws or regulations on emissions or handling is assessed as low in the short to long term. There is a risk of pollution upstream of the supply chain in connection with inadequate processes and procedures for managing and reducing waste and pollution, for example.	PowerCell's policy is to always comply with laws and guidelines. The company has procedures and processes in place in the form of management systems certified to ISO 14001 in order to ensure compliance with laws and guidelines relating to the environment. As far as PFAS are concerned, we are closely monitoring industry developments and discussions concerning upcoming regulations. We have analysed the constituent components to detect and understand PFAS content, and we evaluate PFAS-free substitute materials internally and in dialogue with our suppliers and academics. We manage the risk of supply chain contamination through our supplier assessment process.	

Risk	Risk management	Opportunities
Working environment, health and workplace safety		
Workplace accidents and safety		
In the short to long term, there is a risk that PowerCell's employees, temporary employees or non-employed workers may be injured in the workplace, which could damage PowerCell's employer brand.	PowerCell's policy is to always comply with laws and guidelines. The company has procedures and processes in place in the form of processes, among other things, to ensure compliance with laws and guidelines relating to working environment, health and safety. The company has several health and safety officers at its facility in Gothenburg and conducts regular health and safety surveys, audits and inspections. PowerCell's goal is to offer healthy working environments with a good work-life balance. Stress-related issues also form part of the systematic health and safety efforts with analyses and action plans.	Providing safe workplaces and work-life balance are important elements of PowerCell's employer brand.
Terms of employment		
PowerCell assesses the risk of the company not offering fair pay and reasonable terms of employment as low in the short to long term. Should the risk occur, it could have a huge impact by damaging the company's employer brand and thus financial performance.	PowerCell's policy is to offer fair pay and reasonable terms of employment.	Offering fair pay and reasonable terms of employment are important elements of PowerCell's employer brand.
Skills development		
PowerCell assesses the risk of the company not being able to offer skills development as low in the short to long term. Should the risk occur, it would entail a certain risk of damage to the company's ability to develop its offering and provide value-added customised solutions.	Skills development through internal collaboration, exchange of experience and customer projects are key elements of PowerCell's ambition to constantly provide employees with opportunities for skills development.	PowerCell believes that skills development is important in order to motivate employees and that motivated employees are one of the most important competitive advantages.
Human rights		
Gender distribution		
PowerCell assesses the risk of not being able to establish an even gender distribution among employees in the medium to long term as low. Should the risk occur, PowerCell's employer brand may be damaged.	PowerCell has a policy of equality and non-discrimination. PowerCell's view is that teams with an even gender distribution perform better than teams with an uneven gender distribution. PowerCell's goal is therefore to achieve an even gender distribution within the organisation. This must be taken into account when recruiting new employees and replacements. In 2023, PowerCell clarified our requirements and expectations for our supply chain through the Supplier Code of Conduct, which expressly prohibits gender discrimination.	Even gender distribution among employees and managers helps build a strong employer brand.

Risk	Risk management	Opportunities
Discrimination		
The risk of PowerCell discriminating against any employee is assessed as low in the short to long term. Should the risk occur, it would mean damage to the company's employer brand.	PowerCell's policy of equality and non-discrimination stipulates that no employee or temporary employee may be discriminated against. Anyone who feels discriminated against or who has witnessed acts of discrimination can report this internally or via the external, anonymous and independent whistleblower service. In 2023, PowerCell clarified our requirements and expectations for our supply chain through the Supplier Code of Conduct, which explicitly requires measures to prevent discrimination.	Providing non-discriminatory workplaces is a central element of PowerCell's employer brand.
Freedom of association		
The risk of PowerCell not respecting employees' freedom of association is assessed as low in the short to long term. Should the risk occur, it would mean damage to the company's employer brand. This risk is deemed to be low in terms of PowerCell's entire supplier base, but elevated in individual countries, particularly China.	PowerCell's policy is to respect every employee's right to freedom of association. In 2024, PowerCell has strengthened human rights due diligence in our supply chain. PowerCell has also established a country risk index in 2024 that takes into account factors such as labour rights risks. We always conduct site visits to check labour conditions before engaging suppliers in high-risk countries.	Respecting freedom of association is a basic requirement for a strong employer brand.
Child labour, forced labour and modern slavery		
PowerCell assesses the risk of child labour, forced labour or modern slavery in its own operations as very low in the short to long term. Should the risk occur, it would cause very serious damage to PowerCell's brand and would have an immediate significant negative financial impact. The risk in the immediate supply chain is considered low, as 99 percent of the purchase value in 2024 came from European suppliers.	The company has well-established HR procedures and complies with laws and guidelines on personnel and recruitment matters in Sweden and other countries where the company operates. In 2024, PowerCell has strengthened human rights due diligence in our supply chain. PowerCell has also established a country risk index in 2024 that takes into account factors such as the risk of forced labour. We always conduct site visits to check labour conditions before engaging suppliers in high-risk countries.	
Negative effects on local communities		
The risk of PowerCell's operations having negative effects on the local community is assessed to be low in the short to long term. If the risk were to occur, it would affect the company's brand, which could lead to a negative financial impact.	PowerCell's policy is to comply with laws, regulations and guidelines, including local ones. The company also strives to provide information about and implement major changes in dialogue with local community representatives.	
Crimes against indigenous people		
PowerCell assesses the risk of crimes against indigenous people in its own operations as very low in the short to long term. Should the risk occur, it would cause very serious damage to PowerCell's brand and would have an immediate significant negative financial impact.	PowerCell supports and respects international conventions on human rights wherever it operates.	
Corruption, money laundering and taxes		
Corruption and money laundering		
PowerCell assesses the risk of corruption or money laundering in its own operations as very low in the short and long term. Should the risk occur, it would cause very serious damage to PowerCell's brand and have an immediate significant negative financial impact.	PowerCell has zero tolerance for corruption, money laundering and fraud. The company has processes in place for checking payment transactions, money transfers, etc. to minimise the risks. Payments and money transfers, account transactions, etc. are reviewed by the external auditors. PowerCell has an external, independent and anonymous whistleblower service for all stakeholders and in 2023 clarified the requirements for suppliers in terms of corruption and money laundering through our Supplier Code of Conduct. PowerCell provides relevant employees with anti-corruption training at least every three years and when hiring new employees in order to identify and prevent corruption.	Respecting freedom of association is a basic requirement for a strong employer brand.
Cartels		
PowerCell assesses the risk of the company participating in cartels as very low in the short to long term. Should the risk occur, it would seriously damage the company's brand and lead to a negative financial impact.	PowerCell's policy is that business must be conducted on equal and fair terms. PowerCell does not engage in lobbying, take political stances or make contributions to political parties, political representatives or officials. In 2023, PowerCell clarified the requirements for suppliers in terms of ethical business conduct and fair competition through our Supplier Code of Conduct.	
Taxes		
The risk of PowerCell withholding or not paying tax is assessed as very low in the short to long term. Should the risk occur, it could damage the company's brand and lead to a negative financial impact.	PowerCell's tax policy is to pay taxes where the value is created. Our tax policy stipulates that we shall not engage in aggressive or artificial transactions the sole or main purpose of which is to create a tax advantage.	

Risk	Risk management	Opportunities
Product safety, customer privacy and data security		
Product safety		
PowerCell has developed products and solutions based on new technology. Throughout the development chain, product safety has always been paramount and still is. The risk that PowerCell's products are not safe is assessed as very low in the short to long term. If PowerCell were to fail to offer safe products, it would seriously impact the company's brand and have an immediate significant negative financial impact on the company.	Product safety is one of the cornerstones of PowerCell's business and a prerequisite for the success of the business concept and the company continuing to create value. For that reason product safety is always included in all internal processes that relate to products and solutions.	Highest product safety and product quality are prerequisites for creating a strong brand and for the company's ability to create value.
Branding, product information and marketing		
PowerCell assesses the risk of misleading marketing or product information or violation of marketing standards as low in the short to long term. Should the risk occur, it would damage PowerCell's brand and have a negative financial impact.	PowerCell's policy is to comply with all laws, regulations and directives, including local ones, regarding marketing and product information. Any irregularities are reported and followed up.	Correct and transparent marketing and product information build credibility and customer loyalty.
Customer privacy and data security		
PowerCell assesses that there is a risk in the short to long term that the company will be exposed to cyber attacks, data breaches or theft of customer data or other information. If the risk occurs, it may have a significant negative impact on the brand, customer relationships and financial performance.	PowerCell has a daily focus on IT security and aims to have relevant and up-to-date systems in place. The company has procedures and processes for how customer data and other data should be handled. PowerCell regularly trains all employees in IT security and strives to maintain a high level of preparedness for cyber attacks, for example.	

Sustainability notes

Note 1 Sustainability notes

PowerCell's climate footprint has been calculated in accordance with the GHG protocol. Data sources and assumptions used in the calculations are reported below. The consolidation method we used in the climate calculations is operational control and a market-based method for scope 2. The GWP values are applied according to the IPCC's Fifth Assessment Report, 2014 (AR5).

Scope 1: Climate footprint from **vehicles** has been calculated based on type of vehicle and number of registered km for vehicles in PowerCell's vehicle fleet. The climate footprint from **refrigerants** has been calculated based on the amount of refrigerant refilled during the year. Scope 1 also includes emissions of carbon dioxide from lab processes.

Scope 2: Climate footprint has been based on purchased quantities of kWh electricity and district heating. For **district heating**, the grid-specific emission factor from Göteborg Energi has been used. For **electricity**, origin-specific emission values have been used for renewable electricity. Scope 2 also includes the climate footprint from the electricity consumed from driving electric and hybrid vehicles in PowerCell's vehicle fleet. As the origin of this electricity is unknown, the emission factor for the Nordic residual mix has been used from the The Swedish Energy Markets Inspectorate.

Scope 3: Climate footprint from **waste** has been calculated based on registered waste quantities from the waste contractor. **Business trips** have been based on first-hand data from travel agencies. Regarding business trips by air, the carbon dioxide emissions have been calculated by a factor of 1.9 to take into account emissions of particles, NOX and water vapor that occur at high altitude, the so-called "high altitude effect". The figure 1.9 has been developed by researchers at Chalmers and is stated by, among others, the Swedish Environmental Protection Agency and the Swedish Transport Agency.

Upstream and downstream logistics have been calculated based on first-hand data from PowerCell's freight suppliers in cases where PowerCell has ordered the freight. In cases where PowerCell has not ordered the freight itself, the data has been estimated using extrapolation from PowerCell's suppliers' first-hand data and the number of registered deliveries during the year. For downstream logistics where customers themselves were responsible for the shipping, emissions have been calculated based on tonne kilometers and shipping method. Climate footprint for **purchased goods and services** has been calculated by sorting all suppliers based on purchase value. Suppliers accounting for 0–80% and 81–90% of the total purchase value have been categorized based on the type of product or service purchased. For the suppliers who account for the top 80% of the purchase value of goods, we have been contacted to request first-hand data. For suppliers who were able to provide good first-hand data, this has been used. Secondly, data from internal life cycle analysis performed by RISE on PowerCell's PS 100 system has been used, and in other cases standard values based on purchase category and purchase value have been used. All service providers have been calculated based on standard values. The last 10% of the purchase value has been calculated by extrapolation. Climate footprint for **capital goods** has been calculated by categorizing all purchases of capital goods based on type of goods and the majority of suppliers have been contacted to obtain first-hand data. In cases where this did not exist, standard values have been used based on purchase value. Employees' commuting has been calculated based on a travel habits survey that went out to all employees in January 2024. Climate footprint from the **use of sold goods** has been calculated with the following assumptions: Lifespan and fuel consumption in accordance with product data sheets. Customers have been contacted to ask how the hydrogen they use was produced. Emission factors for the production of hydrogen gas and ammonia have been obtained from the IEA's report "Towards hydrogen definitions based on their emissions intensity". Emission factor for fossil-based methanol without CCS is obtained from the Methanol institute (Well-to-Tank carbon footprint of methanol). Emission factor for direct emissions when using reformed methanol is obtained from the manufacturer of the methanol reformer. **Treatment of sold products at the end of their useful life** has been calculated based on data from an internal life cycle analysis carried out by RISE on PowerCell's PS-100 system. The life-cycle emissions from fuel, electricity and district heating that are not included in scope 1 or 2 are reported in the category **fuel and energy-related activities.**

Note 2 Assumptions and data sources for calculating energy consumption

The following assumptions have been used when calculating PowerCell's energy consumption: Diesel consumption company cars: 0.52 l per 10 km, petrol consumption company cars 0.54 l per 10 km (standard value from the Swedish Environmental Protection Agency), petrol consumption plug-in hybrids 0.08 l per km (Volvo V60 PHEV). Fuel consumption has been calculated based on travel bills, type of vehicle and number of registered km for vehicles in PowerCell's vehicle fleet. Energy amount per liter of diesel/gasoline 38.6 MJ / 34.2 MJ. Energy amount per kg of hydrogen gas 120 MJ. Electricity and heat calculated based on first-hand data from the electricity and district heating supplier. Hydrogen consumption calculated based on deliveries from PowerCell's hydrogen supplier.

Note 3 Assumptions for calculation of distribution of origin on purchased goods and services

Distribution of origin of purchased goods and services has been calculated based on the location of the head office for the suppliers who together account for 90% of the total purchase value of goods and services.

Share information

A total of 80 million shares were traded in 2024. The share price fell by 23.4 percent in 2024, while the OMXS PI increased by 5.7 percent over the same period. The highest closing price of SEK 46.5 was recorded on 30 September, and the lowest, SEK 22.54, was recorded on 27 August. The market value on 31 December 2024 was SEK 2,053 million (2,413).

The average daily trading volume during the year was 227,721 shares (263,390). On 31 December 2024, PowerCell had 38,097 (42,206) shareholders. Of these shareholders, 13.5 percent were financial and institutional investors, 26.6 percent were private individuals and 6.9 percent were central and local government. Other shareholders cannot be classified. All PowerCell shares are denominated in SEK. The ticker symbol is PCELL.

Share capital

A directed share issue was carried out during the year, which increased the share capital by SEK 26,500, from SEK 1,147,133.55 to SEK 1,273,633.55. The number of shares increased by 5,750,000, from 52,142,434 shares to 57,892,434 shares, all with a quota value of SEK 0.022. All shares are of the same class, with one vote each. They are also entitled to an equal share of the company's assets and profits, with no restrictions.

According to the Articles of Association, adopted on 22 April 2021, the company's share capital shall not be less than SEK 500,000 and shall not exceed SEK 2,000,000. The number of shares shall not be less than 20,000,000 and not more than 80,000,000.

Dividend policy

PowerCell has adopted a dividend policy stating that the company aims to provide its shareholders with a stable and increasing dividend in the long term. The policy states that the operating surplus, or parts of the surplus, will be distributed when the cash flow from operations exceeds the company's long-term financing needs and if the Board also considers that the company has a satisfactory capital structure.

PowerCell is undergoing a rapid phase of development and expansion. The current policy of the Board, therefore, is that PowerCell will reinvest any profits to finance the company's growth and operations, and consequently, the Board does not expect any dividends in the coming years.

Share-based incentive scheme

The 2021 AGM decided to introduce a share-based incentive programme for senior executives and key employees. The programme in its entirety (including the issuance of cost-covering warrants) may result in a maximum dilution of approximately 0.97 percent. For more information on revenue recognition, see Note 9 on page 69.

Shareholders, 31 December 2024

	Owners	Number of shares and votes	Share of shares and votes
1	Robert Bosch	6,493,531	11.22%
2	Norges Bank Investment Management	3,994,413	6.90%
3	Avanza Pension	1,555,272	2.69%
4	Axon Partners Group Investment SGEIC	1,048,056	1.81%
5	green benefit AG	976,977	1.69%
6	Ruth Asset Management	960,000	1.66%
7	Swedbank Robur Fonder	626,604	1.08%
8	Carnegie Fonder	580,000	1.00%
9	Global X Management Company LLC	481,495	0.83%
10	VanEck	419,337	0.72%
The 10 largest shareholders, in total		**17,135,685**	**29.60%**
Others		40,756,749	70.40%
Total		**57,892,434**	**100.00%**

Key figures, PowerCell share

Number of shares at year-end	57,892,434
Market value at year-end, SEK million	2,053
Number of shareholders	38,098
Share price at year-end, SEK	35.46
Profit per share, SEK	–1.52
Share price development during the year, %	–23.36
Percentage of shareholders in Sweden	32.9
Total holdings of the ten largest shareholders, %	29.6

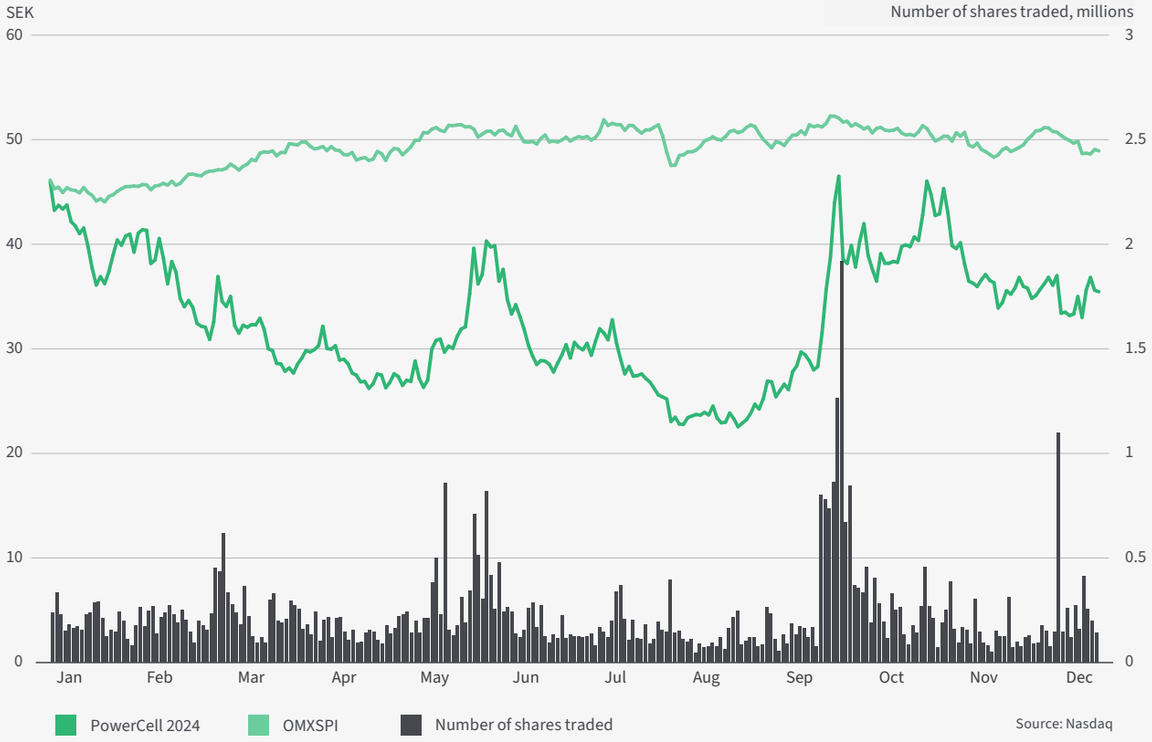
PowerCell share
ISIN code: SE 000 642 5815
Ticker symbol: PCELL

Development of share capital

Since its inception in 2008 until 31 December 2024, the company's share capital has developed as follows:

Year	Incident	Increase in number of shares	Increase in share capital	Total share capital	Number of shares	Nominal value/ share
2008	The company was established.	500,000	100,000 00	100,000 00	500,000	0.200
2009	New share issue	565,215	113,043.00	213,043.00	1,065,215	0.200
2014	New share issue	91,288	18,257.60	231,300.60	1,156,503	0.200
2014	Split 20:1	21,973,557	—	231,300.60	23,130,060	0.010
2014	New share issue	—	277,560.72	508,861.32	23,130,060	0.022
2014	New share issue	12,289,545	270,369.99	779,231.31	35,419,605	0.022
2015	New share issue	278,787	6,133.32	785,364.63	35,698,392	0.022
2016	Redemption of T01	7,135,480	156,980.55	942,345.18	42,833,872	0.022
2016	Redemption of T02	1,950,520	42,911.44	985,256.62	44,784,392	0.022
2017	New share issue	6,716,418	147,761.20	1,133,017.82	51,500,810	0.022
2017	Exercise of warrants directed to employees	178,080	3,917.76	1,136,935.58	51,678,890	0.022
2018	Exercise of warrants directed to employees	189,920	4,178.24	1,141,113.82	51,868,810	0.022
2020	Exercise of warrants directed to employees	273,624	6,019.73	1,147,133.55	52,142,434	0.022
2024	New share issue	5,750,000	126,500	1,273,633.55	57,892,434	0.022

Share price 2024



Source: Nasdaq

Corporate governance

PowerCell values sound corporate governance as an important basis for achieving its long-term strategic goals and achieving a relationship of trust with shareholders and other important parties. A high standard of openness, reliability and ethical values are guiding principles for PowerCell's operations.

Corporate governance model
The shareholders exercise their influence by voting at general meetings of Powercell Sweden AB (publ), which is the parent company of the PowerCell Group. Resolutions are passed at annual general meetings on the composition of the Board of Directors of Powercell Sweden AB (publ) and the election of auditors. A Nomination Committee appointed by the Annual General Meeting (AGM) submits proposals to annual general meetings regarding, among other things, the election of Board members and Chair of the Board, and resolutions on fees paid to the Board. The Nomination Committee also submits proposals to annual general meetings on the election of external auditors and proposals for resolutions on remuneration for the Auditor. The Board of Directors is ultimately responsible for PowerCell's organisation and the management of its operations. The Board of Directors also appoints the CEO of Powercell Sweden AB (publ). The CEO manages the Group's day-to-day operations in accordance with the Board's guidelines.

Swedish Corporate Governance Code
Powercell Sweden AB's (publ) shares are listed on the Nasdaq Stockholm stock exchange. As a listed company, PowerCell applies the Swedish Corporate Governance Code (available at: www.bolagsstyrning.se). This corporate governance statement has been prepared in accordance with the Swedish Annual Accounts Act and the Corporate Governance Code, separately from the Annual Report. The statement has been reviewed by PowerCell's auditors and an opinion from the auditors attached.

1. Shareholders
Powercell Sweden AB's share register is kept by Euroclear Sweden AB. As at 31 December 2024, PowerCell had 38,098 shareholders according to the share register and the total number of shares was 57,892,434. More information about PowerCell's share and its shareholders can be found in the Share section of the Annual Report.

2. Annual General Meeting
Shareholders exercise their influence in the company at the Annual General Meeting, or, where applicable, at an Extraordinary General Meeting. The AGM is PowerCell's highest decision-making body. The Annual General Meeting must be held within six months of the end of the financial year. At the AGM, resolutions are passed regarding the election of the Board of Directors and Chair of the Board of Directors, election of the auditor, the adoption of income statements and balance sheets, appropriation of the company's profits and discharge from liability for the members of the Board of Directors and the CEO, the Nomination Committee and its work, and guidelines for the remuneration of senior executives. Information about the company's previous AGMs can be found on PowerCell's website. Information is also available about the right of shareholders to have matters discussed at the AGM and when shareholder requests for such matters should be received by PowerCell. The 2024 Annual General Meeting was held on 25 April 2024.

PowerCell's 2025 Annual General Meeting will be held on Tuesday, 29 April 2025. For more information about the 2025 Annual General Meeting, see the PowerCell website (www.powercellgroup.com).

3. Nomination Committee
The Nomination Committee is appointed by the Annual General Meeting. The Nomination Committee must carry out the duties for which it is responsible in accordance with its instructions from the Annual General Meeting and the rules laid down in the Corporate Governance Code. Its main duty is to prepare and submit proposals on behalf of the shareholders to the Annual General Meeting regarding the election of the Board, the election of the Chair of the Board and Board fees, as well as, when this is the case, proposals regarding the election of an auditor and remuneration to the auditor. In addition, the Nomination Committee presents proposals for members to be included in the following year's Nomination Committee, in accordance with the current instructions for PowerCell's Nomination Committee.

In accordance with the current instructions for PowerCell's Nomination Committee, the three largest shareholders in the company by voting rights as at 30 July 2024 shall have the right to appoint one member to the Nomination Committee. None of these three people may be a member of the company's Board of Directors. In addition, the Nomination Committee shall include a Board member appointed by the Board, who shall also act as the convener. Members of the Nomination Committee for the 2024 AGM included:

- Uwe Zeise (Robert Bosch GmbH, representing Robert Bosch)
- Lena Olving, independent member
- Magnus Jonsson was the convening member and represented the Board of Powercell Sweden AB.

Nomination Committee 2025:
Following contacts with the company's 20 largest shareholders as at 30 July 2024, PowerCell established that two of these shareholders, Robert Bosch and Swedbank Robur Fonder, wished to each appoint a member to the company's Nomination Committee. Robert Bosch has appointed Uwe Zeise and Swedbank Robur Fonder has appointed Caroline Sjösten as their respective representatives on the Nomination Committee. In addition, the Chair of the Board of PowerCell, Magnus Jonsson, was appointed in accordance with the adopted Nomination Committee principles.

The following Nomination Committee has therefore been appointed for the 2025 AGM:

- Uwe Zeise, Chair of the Nomination Committee (Robert Bosch GmbH, representing the Bosch Group)
- Caroline Sjösten, representing Swedbank Robur Fonder
- Magnus Jonsson is the convening member and represents the Board of Powercell Sweden AB

The composition of the Board was communicated through a press release and published on the company's website on 18 October 2024.

4. Board of Directors
The main duty of the Board of Directors is to manage the Group's operations on behalf of the owners so that their long-term interests are met in the best possible way. The Board has ultimate responsibility for PowerCell's organisation and management. It is responsible for the Group's long-term development and strategy, for constantly monitoring and evaluating the Group's operations and for the other tasks set out in the Swedish Companies Act.

Composition of the Board
In accordance with the Articles of Association, the Board must consist of a minimum of five and a maximum of seven members. The members serve from the end of the AGM when they are elected until the end of the next AGM. There is no limit to how many consecutive periods a member can sit on the Board.

The 2024 AGM re-elected Board members Nicolas Boutin, Helen Fasth Gillstedt, Uwe Hillmann, Riku-Pekka Hägg, Magnus Jonsson, Annette Malm Justad and Karin Ryttberg-Wallgren. Magnus Jonsson was re-elected as Chair of the Board. A presentation of the members of the Board can be found in the section on the Board of Directors in the Annual Report and on the company's website.

In preparing its proposal, the Nomination Committee applied Section 4.1 of the Corporate Governance Code as its diversity policy whereby it considers that the Board should have a composition appropriate to the company's operations, phase of development and other relevant circumstances that is characterised by diversity and breadth of qualifications, experience and background. An even gender distribution must be strived for. The Board of Directors currently has seven members, including three women and four men.

Requirement for independence
PowerCell's Board of Directors is subject to the requirement for independence as set out in the Corporate Governance Code. Prior to the 2024 AGM, the Nomination Committee presented the following assessment regarding independence for the Board members elected at the 2024 AGM. Magnus Jonsson, Helen Fasth Gillstedt, Annette Malm Justad, Riku-Pekka Hägg, Karin Ryttberg-Wallgren and Nicolas Boutin are all considered independent in relation to the company and the company's management, and in relation to the company's major shareholders. Uwe Hillmann is considered independent in relation to the company and its management but not in relation to one of the company's major shareholders due to his capacity as Head of the Electronic Controls business unit within the Bosch Powertrain Solutions division, part of Robert Bosch GmbH.

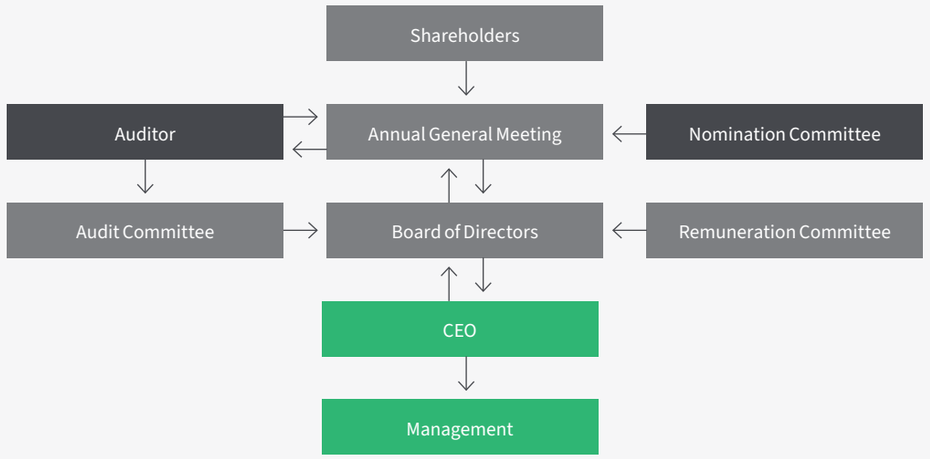
Rules of procedure
Every year, the Board defines rules of procedure for its work. The rules of procedure state, among other things, how the Board's work is to be distributed, including the specific role of the Chair and their tasks, instructions concerning the division of work between the Board of Directors and the CEO, and how financial reporting to the Board should take place. The Board of Directors has also adopted special instructions for the Board's committees which are linked to the rules of procedure.

Work of the Board in 2024
The Board's work is carried out primarily through formal Board meetings and meetings of the Board's committees. In addition, ongoing contact is maintained between the Chair of the Board and the CEO to discuss ongoing operations and ensure that the Board's decisions are implemented. The Board held 13 meetings during the financial year. The Board members' attendance is shown in the table on the opposite page.

The Board's ordinary meetings follow a fixed agenda and are scheduled so that financial reports can be adopted prior to publication, including the corporate governance statement and sustainability report. The company also has an annual cycle where special matters are scheduled for different meetings, such as the adoption of budgets, strategy discussions and business plans. The annual cycle consists of six meetings. In addition, an inaugural Board meeting is held immediately after the Annual General Meeting where the annual cycle is determined, members of the Audit and Remuneration Committees are appointed and the rules of procedure for the Board of Directors, including instructions to the CEO and committees, are adopted.
During the year, the Board of Directors also received in-depth presentations from operating activity representatives. In 2024, the Board also adopted interim reports, year-end reports and annual reports, made decisions on significant customer contracts with long-term commitments, adopted the budget and updated business plan, decided on targets and outcomes within the framework of the Company's incentive programme, and conducted a review of the Company's work on risk management and sustainability.

The Board also received ongoing information and reports from the Remuneration Committee and the Audit Committee at Board meetings following their meetings. The Board receives monthly reports in order to be kept updated between Board meetings.

The Board met with the auditor on 14 March 2024 to report on the audit, and the Board also met with the auditor without the attendance of Group management on the same date.



Evaluation of the Board's work
The Board conducts an annual evaluation of its own work. Each year, the Chair of the Board initiates and takes the lead on the evaluation of the Board's work. The purpose of this evaluation is to further develop working methods, dynamics, efficiency and the working environment, as well as the main focus of the Board's work. The evaluation also focuses on access to and the need for special expertise on the Board. The evaluation includes interviews, joint discussions and the Chair having one-to-one discussions with individual Board members. Evaluations are discussed at a Board meeting and also serve as a basis for the Nomination Committee's work in proposing Board members.

5. Audit Committee
PowerCell's Board of Directors has appointed an Audit Committee with the primary purpose of supervising the Group's financial accounting and reporting and the audit of the financial statements, as well as sustainability reporting. The Chair of the Audit Committee is Helen Fasth Gillstedt and the other members are Annette Malm Justad and Magnus Jonsson. The Audit Committee monitors and ensures the quality and reliability of accounting and financial reporting processes and statements, monitors the effectiveness of the Group's internal control of financial reporting and risk management processes, and the appropriateness of the Group's control of compliance with legal and regulatory requirements. The Audit Committee reviews and monitors the work of the external auditors and prepares proposals for the nomination of external auditors. The Audit Committee met four times in 2024. The committee members attended these meetings as shown in the table on the opposite page.

6. Remuneration Committee
The Board of Directors has established a Remuneration Committee, which is responsible for dealing with and making decisions on matters related to remuneration for senior Group executives.

The Remuneration Committee prepares guidelines for the remuneration of senior executives and terms of employment for the CEO. Guidelines for the remuneration of senior executives must be submitted to the Board of Directors, which in turn must submit proposals for such remuneration guidelines to the Annual General Meeting. The Remuneration Committee monitors and evaluates PowerCell's remuneration scheme for senior executives on an ongoing basis. The Board of Directors publishes a remuneration report on the company's website no later than three weeks before the Annual General Meeting, in accordance with the Swedish Companies Act and the principles set out in the Corporate Governance Code.

The committee consists of three members, Magnus Jonsson (Chair), Annette Malm Justad and Karin Ryttberg-Wallgren, and held a total of three meetings in 2024.

7. CEO and Group Management
The CEO, Richard Berkling, manages the business in accordance with the Swedish Companies Act and within the framework set by the Board. In consultation with the Chair of the Board, the CEO prepares

the necessary information and decision-making documents for Board meetings, prioritises matters and justifies proposals for resolutions. The CEO leads the management's work and makes decisions in consultation with other members of management. At the end of 2024, management consisted of Richard Berkling (CEO), Karin Nilsson (SVP, Vice President), Anders Düring (SVP, CFO), Patrik Brouzell (SVP, Product Sales), Lisa Kylhammar (SVP, Engineering), Andreas Bodén (SVP, CTO), Karl Samuelsson (SVP, Application Development), Alison Arnold (SVP, Marketing), Peter Wallin (SVP, COO), Oscar Hamréus (SVP, Head of People Operations) and Victor Åkerlund (SVP, Chief Analytics & Sustainability Officer). Group management conducts regular business reviews under the leadership of the CEO. A more detailed presentation of the CEO and management can be found in the Management section of the Annual Report and on the company's website.

8. Auditor

In order to examine the company's annual reports and accounts as well as the management of the Board of Directors and the Chief Executive Officer, a registered accounting firm is appointed as the auditor at the Annual General Meeting. At the 2024 Annual General Meeting, the registered accounting firm Öhrlings PricewaterhouseCoopers AB (PwC) was re-elected as auditor until the end of the 2025 AGM. The auditor in charge is authorised public accountant Fredrik Göransson. In 2024, he was also the principal auditor at Bilia AB (publ) and Saab AB.

The auditors attended Board meetings to present PwC's audit process and to give the Board members an opportunity to ask questions without the presence of management. The auditors also attended Audit Committee meetings.

Internal control and risk management with regard to financial reporting

The Board of Directors is responsible for internal control in accordance with the Swedish Companies Act and the Corporate Governance Code. The purpose of this description is to give shareholders and other stakeholders an understanding of how internal control is organised at PowerCell in terms of financial reporting. The description has been prepared in accordance with the Swedish Annual Accounts Act and is therefore limited to the internal control of financial reporting.

Control environment

PowerCell applies the Internal Control–Integrated Framework, issued in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In 2013, COSO issued an updated version of the framework. PowerCell's internal control framework complies with the 17 fundamental principles of COSO 2013. The COSO framework consists of five interrelated components. Control Environment is the component that forms the basis for the other components. PowerCell has documented the division of responsibilities throughout the company through policies, instructions and organisational structure. This is reflected in the fact that policies and instructions, where applicable, are based on internationally accepted standards and/or best practices. Policies and instructions are evaluated by responsible functions based on the need to adjust due to changing requirements and legislation. PowerCell is a process-oriented company and has integrated risk assessment with business processes, such as business planning. In the area of control structures, PowerCell has documented all critical financial processes and controls.

Risk assessment

Risks relating to financial reporting are evaluated and monitored by management and the Board of Directors through its Audit Committee based on assessments made by management, by identifying material risks and how to manage and mitigate them. The assessment of the degree of risk of financial reporting errors is based on a number of criteria. The identified risks together with the required mitigating control objectives are gathered in an internal control framework for financial reporting.

PowerCell has established control systems in place and operates transparent business operations. Current governance documents are reviewed on a routine basis. Furthermore, the Board of Directors regularly evaluates the financial reporting received in conjunction with Board of Directors' meetings. The Audit Committee has an ongoing dialogue with the company's auditor concerning the scope and quality of the financial reporting. Additional information on the governance of PowerCell is available on the company's website.

Control activities

In addition to the Board of Directors and its Audit Committee, the management team constitutes an overarching control body. Business processes are designed to ensure that any inaccuracies or discrepancies in financial reporting are prevented, detected and corrected by including control activities that meet the control objectives set out in PowerCell's internal control framework. Control activities range from comparing results against previous forecasts and estimates at management team meetings to specific account reconciliations and analyses in the ongoing financial reporting processes.

Board fees

The table refers to the Board members elected at the 2024 AGM

Name	Born	Elected	Board role	Agreed fee	Fees for Audit Committee work	Fees for Remuneration Committee work
Magnus Jonsson	1956	2012	Chairman	600,000	100,000	80,000
Helen Fasth Gillstedt	1962	2019	Board member	300,000	200,000	—
Annette Malm Justad	1958	2020	Board member	300,000	100,000	40,000
Uwe Hillmann*	1967	2020	Board member	—	—	—
Riku-Pekka Hägg	1975	2020	Board member	300,000	—	—
Karin Ryttberg-Wallgren	1980	2022	Board member	300,000	—	40,000
Nicolas Boutin	1971	2023	Board member	300,000	—	—

*Uwe Hillmann waived his fee in accordance with Robert Bosch GmbH internal guidelines.

Table of meetings

Member's name	**Board of Directors** Attendance/total number of meetings	**Audit Committee** Attendance/total number of meetings	**Remuneration Committee** Attendance/total number of meetings
Magnus Jonsson (Chair)	13/13	4/4	3/3
Helen Fasth Gillstedt	13/13	4/4	
Annette Malm Justad	13/13	4/4	3/3
Uwe Hillmann	12/13		
Riku-Pekka Hägg	13/13		
Karin Ryttberg-Wallgren	13/13		3/3
Nicolas Boutin	13/13		

Information and communication

Guidelines and instructions for financial reporting are routinely updated and communicated by management to all relevant employees. The Group's accounting function has direct operational responsibility for routine financial reporting and works to ensure the uniform application of the Group's guidelines, principles and instructions for financial reporting, and to identify and communicate deficiencies and areas for improvement in financial reporting processes.

Monitoring

Internal control outcomes are analysed and communicated annually. An assessment is made of the improvement measures that should be implemented. PowerCell's Board of Directors receives monthly reports from the CEO on the status of the business and its development. The Board of Directors discusses all quarterly and annual reports before they are published. The Board of Directors is updated annually on internal control work and its outcomes. The Board is also involved in the assessment made by the external auditors of the Group's internal control processes.

Internal audit

Based on the risk assessment and design of control activities described above, including self-assessment and in-depth analysis of internal control, the Board of Directors has chosen not to have a special internal audit function.

Gothenburg, 31 March 2025
Powercell Sweden AB (publ)
Board of Directors

Magnus Jonsson
Chairman of the Board

Nicolas Boutin
Board member

Karin Ryttberg-Wallgren
Board member

Riku-Pekka Hägg
Board member

Uwe Hillmann
Board member

Helen Fasth Gillstedt
Board member

Annette Malm Justad
Board member

Auditor's statement on the Corporate Governance Report

To the General Meeting of Powercell Sweden AB (publ), corporate ID no 556759-8353

Engagement and responsibilities
The Board is responsible for the 2024 Corporate Governance Report on pages 52–55, and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the audit
Our review was conducted in accordance with FAR's recommendation RevR 16 Auditor's examination of the corporate governance report. This means that our review of the Corporate Governance Report has another focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A corporate governance report has been prepared. Information in accordance with Chapter 6, Article 6(2), clauses 2 to 6 of the Swedish Company Accounts Act and Chapter 7, Article 31(2) of the same act are consistent with the annual report and consolidated accounts and are also compliant with the Swedish Company Accounts Act.

Gothenburg, 31 March 2025
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

Board of Directors

Magnus Jonsson
Chairman of the Board since 2015
Lives in: Gothenburg
Born: 1956
Education: Degree of Master of Science in Mechanical Engineering
Elected: 2012
Shares: 130,000

CEO of Magnus Jonsson Consulting AB and member of several boards. Previous position as Senior Vice President, Product Development at Volvo Cars. Extensive experience in the automotive industry. Independent in relation to the company, its executive management and major shareholders.

Nicolas Boutin
Board member
Lives in: London
Born: 1971
Education: MSc in Aerospace Engineering
Elected: 2023
Shares: 0

Nicolas Boutin has more than 20 years of experience in the aviation industry, most recently as Managing Director and Partner of the Boston Consulting Group. As global manager of the Travel Practice Area and Sustainable Aviation, he has also worked with industry leaders from aircraft manufacturers, airlines and airports. Independent in relation to the company, its executive management and major shareholders.

Helen Fasth Gillstedt
Board member
Lives in: Danderyd
Born: 1962
Education: MSc in International Business and Financial Management
Elected: 2019
Shares: 3,000 (including via companies)

Board member of Munters Group AB, Handelsbanken Fonder AB, where she is also its representative on nomination committees, and Sortera AB. Former Vice President of the SAS Group and senior positions at Statoil Group A/S. Independent in relation to the company, its executive management and major shareholders.

Uwe Hillmann
Board member
Lives in: Leonberg, Germany
Born: 1967
Education: Diploma programme in physics
Elected: 2020
Shares: 0

Responsible for the Electronic Controls business unit within the Power Solutions division at Robert Bosch GmbH. More than 25 years of experience in management and sales to automotive and non-automotive customers. Representing Robert Bosch GmbH. Independent of the company but dependent on the company's major shareholders.

Riku-Pekka Hägg
Board member
Lives in: Vantaa, Finland
Born: 1975
Education: MSc in Mechanical Engineering
Elected: 2020
Shares: 0

CEO of Steerprop and Chairman of the Board of Daphne Technology SA. Former Vice President, Ship Design at Wärtsilä Corporation. Experienced business leader and strategist in maritime technology. Strong interest in advanced technology, has led international sales, strategic transformation and performance culture in high-tech engineering and maritime industry. Independent in relation to the company, its executive management and major shareholders.

Karin Ryttberg-Wallgren
Board member
Lives in: Stockholm
Born: 1980
Education: Master of Business Administration, MBA
Elected: 2022
Shares: 0

Executive Vice President, H2 Green Steel responsible for global growth and the Hydrogen business unit. Deputy board member of Okera AB. Previous experience includes managerial positions at Sandvik, Sapa, Yara International and Piab. Broad experience of hydrogen and materials for fuel cells. Independent in relation to the company, its executive management and major shareholders.

Annette Malm Justad
Board member
Lives in: Oslo, Norway
Born: 1958
Education: MSc in Chemical Engineering, MSc in Technology Management
Elected: 2020
Shares: 10,000 through wholly owned Homlungen AS

Senior advisor with more than 25 years of experience at international industrial and maritime companies, including as CEO of a listed company. Current directorships include Torm Plc, Awilco LNG, AMSC ASA, Småkraft AS, Store Norske Spitsbergen Kulkompani AS and Feddie Ocean Distillery AS. Independent in relation to the company, its executive management and major shareholders.

Executive Management

Richard Berkling
President and CEO
Born: 1972
Employed: 2021
Education: Business Administration, School of Business, Economics and Law at the University of Gothenburg
Number of shares: 15,000

Richard Berkling has 19 years of experience as CEO of an independent subsidiary within the Volvo Group. Building a company from scratch and becoming a world leader in safety-critical electronics in the marine and off-highway transport industry, he gained extensive experience in business development during a technology shift in the marine, construction equipment and material handling segments.

Karin Nilsson
Senior Vice President and Deputy CEO
Born: 1969
Employed: 2015
Education: Business Administration, School of Business, Economics and Law at the University of Gothenburg and University West
Number of shares: 9,000

Many years of international experience from financial and operational management positions, most recently as CFO at KVD Kvarndammen AB. Previous employers include Gunnebo AB and Sibelco Nordic AB.

Alison Arnold
Senior Vice President, CMO
Born: 1973
Employed: 2023
Education: Diploma Programme in Project Management and Marketing Law, RMI Berghs
Number of shares: 1,193

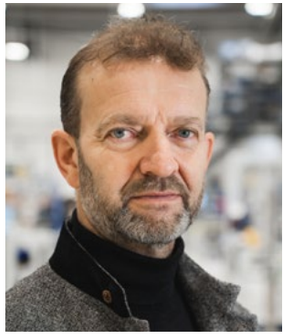
More than 20 years of experience as Client Director at Forsman & Bodenfors with national and international brand building, in Sweden and globally. Her last role was as Chief Marketing Officer at Pulsen Group.

Dr. Andreas Bodén
Senior Vice President, CTO
Born: 1977
Employed: 2009
Education: MSc in Chemical Engineering and PhD in Chemical Engineering from KTH Royal Institute of Technology, studying Fuel Cells
Number of shares: 2,000

Broad international experience in fuel cell-related business and technology development. Active in the fields of fuel cells and clean technologies since 2002, and over ten years as a board member of Vätgas Sverige. Previous PowerCell positions as Group Manager, Development Manager and Business Developer. Andreas Bodén has also been project manager at Volvo Technology for PEM fuel cell development.

Patrik Brouzell
Senior Vice President, Product Sales
Born: 1978
Employed: 2021
Education: MSc in Industrial and Logistics Management, Gothenburg School of Business, Economics and Law
Number of shares: 2,900

Patrik Brouzell is responsible for the development of PowerCell's product sales to prioritised segments and the establishment of complementary market channels. Patrik Brouzell was previously CEO of LWW Group and others.



Anders Düring
Senior Vice President, CFO and IR
Born: 1965
Employed: 2024
Education: MSc in Business Administration, University of Gothenburg and Executive MBA in Finance & Accounting, University of Gothenburg
Shares: 0

Anders Düring has more than 20 years of experience from senior roles at several listed companies in various industries, including KappAhl and Serneke. Prior to that, he acquired more than 10 years of experience in management consulting with Arthur Andersen and Arthur D. Little.

Oscar Hamréus
Senior Vice President HR and IT Manager
Born: 1981
Employed: 2022
Education: Bachelor of Science in Human Resource Management Studies
Number of shares: 4,500

Oscar Hamréus has previously held roles as HR manager and senior HR consultant in a wide range of companies. Oscar Hamréus' most recent role before joining PowerCell was as CEO and Senior HR Consultant at ADDMatch HR Partner.

Dr. Lisa Kylhammar
Senior Vice President, Engineering
Born: 1978
Employed: 2011
Education: Master of Science in Chemical Engineering and PhD in Materials Science, Chalmers University of Technology
Number of shares: 1,600

Broad experience in fuel cell technology through international partnerships and internal development work. Previous positions include managing various engineering teams at PowerCell, as well as project management for development and future technology activities.

Continued management

Karl Samuelsson
Senior Vice President, Application Development
Born: 1971
Employed: 2016
Education: MSc in Mechanical Engineering, Chalmers University of Technology
Number of shares: 0

Many years of leadership experience in product development. Previous positions include Senior Manager at Volvo Cars, Research and Development and Complexity Reduction Analyst at Ford Automotive Group.

Peter Wallin
Senior Vice President, COO
Born: 1970
Employed: 2023
Education: Operations technician, power and heat
Number of shares: 0

Peter Wallin has more than 25 years of experience in business development and streamlining processes for production, logistics and suppliers, including Meetab, Nolato Silikonteknik and Eberspächer. Peter has previously held senior positions in EuroMaint Rail and Tenneco Automotive and has worked as a consultant to various companies since 2005.

Victor Åkerlund
Senior Vice President, Chief Analytics and Sustainability Officer
Born: 1986
Employed: 2023
Education: Master of Science in Industrial Economics, Chalmers University of Technology
Number of shares: 1,210

Many years of experience in strategy and business development as a management consultant for both fast-growing SMEs and global corporations. Previous employers include TruePoint and Sweco.

Board of Directors' Report

The Board of Directors and CEO of Powercell Sweden AB (publ), company registration number 556759-8353, with its registered office in Gothenburg, hereby submit the annual report and consolidated accounts for the 2024 financial year. All amounts are in KSEK unless otherwise stated. Figures in brackets relate to the previous year.

Powercell Sweden AB (publ) develops and produces fuel cell stacks and fuel cell systems with a uniquely high power density, for applications in the Aviation, Marine, Power Generation, Off-road and On-road segments. PowerCell's products are powered by clean or reformed hydrogen and generate electricity and heat without releasing any emissions other than water. Our technology combines high efficiency with a compact format and contributes to enhanced energy efficiency and a significant reduction in emissions of carbon dioxide and harmful particles regardless of application.

The year in brief

Despite challenges in both the business environment and the market, PowerCell took several steps forward during the year. Net sales increased, and the shift towards orders for commercial applications continued.

The performance of the Marine segment was particularly strong. The new Marine System 225 power generation system, a successor to the Marine System 200, was introduced in June. Utilising the proven technology of its predecessor, the Marine System 225 offers increased power and improved operational efficiency while maintaining an industry-leading installation footprint. This makes it an ideal solution for a wide range of marine vessels and allows for easier installation and servicing. There has been a great deal of interest from the market and customers, and in total, orders for over 75 systems were taken from various customers during the year. The single largest order was placed by a leading Italian marine OEM. The order was worth about MSEK 165.

During the year, the Company also received an Approval in Principle (AiP) from Den Norske Veritas (DNV) for the new Methanol-to-Power solution, a fully integrated methanol reformer and fuel cell system that can offer a significant step in the maritime industry's transition to cleaner energy. This system can run on methanol alone and is aimed at customers with limited access to hydrogen and hydrogen refuelling solutions, which is often the case at ports and in off-grid systems.

In parallel with the progress in Marine, the position in Aviation was also strengthened. In October 2024, a new Memorandum of Understanding (MoU) was signed with ZeroAvia regarding collaboration on the development of next-generation fuel cell technologies. The collaboration with ZeroAvia already includes the development of the powerful new Heavy Duty Stack (HDS), which is optimised for high energy density and designed to be modular between 300 kW and 1 MW. This allows for large and powerful installations, while also reducing cost, weight and size. HDS is suitable for applications in a number of the Company's segments, including Aviation, Marine, Power Generation, Off-road and On-road, and has the potential to benefit PowerCell's development and commercialisation in these segments.

In the Power Generation segment, a first order was received during the year for the VS5 fuel cell system, designed for use in a commercial application. The customer was ColGar Energy Ltd., and the order was worth about MSEK 35. The year also saw the demonstration of the container-based plug and play solution for local power generation that was developed in collaboration with Hitachi Energy. At the Skanska site at the Port of Gothenburg, HyFlex was used to power an electric excavator from Volvo Construction Equipment. Linde Gas, the world's largest industrial gas company, was responsible for the supply of green hydrogen.

PowerCell joined a number of new collaborative projects during the year. These include the EU projects H2Marine and H2MAC, which aim to develop innovative hydrogen solutions for marine installations and the construction and mining sectors respectively. In both projects, PowerCell is contributing technical know-how and its state-of-the-art fuel cell technology.

Sales and earnings

The Group's net sales for 2024 totalled MSEK 334.3 (310.3), corresponding to an increase of 8 percent. This increase was driven mainly by strong performance in the marine segment. Royalty income from Robert Bosch GmbH totalled MSEK 37.8 (19.0) during the year.

The gross margin amounted to 34.8 percent (40.0). The negative development is mainly explained by a change in the product mix, with lower high-margin service sales and a higher proportion of project sales on a percentage-of-completion basis.

Operating profit before items affecting comparability amounted to MSEK –83.7 (–66.5). Operating profit after items affecting comparability amounted to MSEK –53.7 (–72.6). The item affecting comparability for 2024 comprises a government loan of MSEK 30 that was converted into a grant in May 2024. The conditional loan was granted by the Swedish Energy Agency in 2009. The contribution is recognised as other income and as an item affecting comparability.

Cash flow from operating activities totalled MSEK 18.6 (–95.7), affected by a negative operating result combined with a positive cash flow from working capital. Cash flow from current liabilities increased; mainly due to advance payments from grant-funded projects, but also to major purchases in December relating to materials for delivery in future quarters. Cash flow from investing activities was affected by the capitalisation of product development of MSEK 40.3 (16.5).

Cash flow from financing activities was affected by a loan of MSEK 50.0 and a directed share issue of MSEK 182.0.

Total cash flow was MSEK 159.6 (–132.6).

The Parent Company's figures are largely in line with the Group's as the majority of operations are conducted in the Parent Company.

Implementation of a directed share issue

A directed share issue of 5.75 million shares was carried out at the end of the year, through which PowerCell raised approximately MSEK 190 before issue costs. The new issue was carried out with the aim of continuing to support the OEM commercialisation phase and accelerating the development of new products and applications.

Financial position and liquidity

The Group's financial position and liquidity are prioritised and monitored. Cash and cash equivalents as at 31 December 2024 were MSEK 218.9 (66.8). The Board assesses that available cash and cash equivalents as at 31 December 2024 are sufficient to finance operations in 2025, and hence the annual report has been prepared on the basis that the assumption of continued operations is met.

The equity/assets ratio at the end of the year was 62.5% (64.8%).

Acquisitions and investments

Investments in property, plant and equipment in the financial year were MSEK 6.5 (11.6).

Research and development

The Group continued to conduct significant research and development of fuel cell platforms and fuel cell systems during the year. The costs for research and development were MSEK –110.9 (–114.5) in 2024.

During the year, MSEK 40.3 (16.5) has been capitalized as product development costs. The majority of the costs pertain to the development of a new PS200-system.

Employees

Converted to full-time positions, the Group had 147 employees (151) at the end of the year. The average number of employees converted to full-time positions for 2024 was 128 (110).

Environmental impact

PowerCell acts responsibly and active sustainability work is therefore important for the company. PowerCell takes a holistic view centred around good business ethics, the environment, human rights, and the company's future.

The Group does not conduct any activities that are subject to notification requirements under the Swedish Environmental Code.

Outlook for 2025

PowerCell is active within an industry affected by technical development and market demand driven by a need for environmental improvements. It is hard to foresee the pace and timing of market growth for hydrogen-electric solutions, but the ambition is to generate organic growth in 2025.

Future development and material risks and uncertainties

PowerCell is exposed to risks and uncertainties through its operations. In the coming year, the company intends to continue the development, industrialisation and commercialisation of its fuel cell platforms and modules. The most significant risks and uncertainties for the Group can be divided into operational and financial factors:

Operational risks

Market-related risks

The company's products are based on fuel cell technology, which is relatively new in a commercial context. This may mean that customers replace their systems at a slower rate than anticipated, despite the company's products being better commercially and performance-wise to competing technology.

Customer dependency

Until 2022, the company's operations were focused primarily on product development. The company has also delivered a number of products that are currently being evaluated by customers. The company continues to depend on its development activities going according to plan and not being affected by any major delays, cost increases or other difficulties. In addition, the company is dependent on its customers' evaluation of the products and that the company can increase its sales in line with the continued commercialisation.

Dependence on individual suppliers

PowerCell is dependent on deliveries of purchased components arriving on time and at the right quality. Should problems arise with deliveries, there is a risk that deliveries to customers will be delayed and therefore a risk that the Group will be subject to both financial and operational problems.

Limited resources
PowerCell is a small company with limited resources in terms of management, administration and capital. For the implementation of its strategy, it is important that resources are utilised in the company as optimally as possible. There is a risk that the company's resources are insufficient and therefore subject to both financial and operational problems.

Ability to manage growth
The business will grow organically going forward. As the business grows and the workforce increases, PowerCell needs to ensure that the company always has effective planning and management processes in place to enable the implementation of the business plan in a market that is developing rapidly. Investment and the allocation of valuable management resources are required in order to manage this growth. If PowerCell does not handle growth effectively, this could have an adverse impact on earnings.

Employees
PowerCell's future development depends on the company's ability to retain and recruit committed staff with the relevant experience, expertise and dedication. The company works to reduce its dependence on key individuals by documenting procedures and working methods in a professional manner. However, the risk remains that any individual who is part of the company's management, or another key individual, will terminate their employment with the company, which, in the short term, may have a significant negative impact on the company's operations, earnings and financial position.

Financial risks
The Group is exposed to various types of financial risks in its operations. The financial risks to which the Group is exposed are credit, currency, liquidity and interest rate risks. Overall responsibility for managing the Group's financial risks, and developing methods and policy for managing financial risks is incumbent on the company management and the Board. PowerCell has a finance policy for the Group. For further information on the financial risks, see note 3.

Significant events after the end of the financial year
PowerCell has secured a breakthrough order worth SEK 150 million from a leading European shipyard for its M2Power 250 system, the first commercial sale of its methanol-to-power technology launched in Q3 2024. The order includes a 2 MW installation and marks a key step in PowerCell's role in the maritime energy transition.

Dividend policy
PowerCell has adopted a dividend policy that establishes the company's long-term goal to provide its owners with a stable and increasing dividend. Dividends are proposed by the Board of Directors and resolved upon at the Annual General Meeting in accordance with the Swedish Companies Act and the Articles of Association. Historically, PowerCell has not paid any dividends and no dividends were paid out for the previous financial year. PowerCell is undergoing a rapid phase of development and expansion. The current policy of the Board is that the company carries forward any profits to finance the growth and operations of the company and, accordingly, the Board does not anticipate the payment of any dividends in the years ahead.

The Board therefore proposes that no dividend be paid for 2024 but that the profits are retained to finance the continued growth and operation of the business.

Appropriation of earnings
The following earnings are at the disposal of the AGM (SEK):

Share premium reserve	737,392,233
Retained earnings	–296,524,883
Net income	–87,903,037
SEK	**352,964,313**
The Board of Directors proposes that the profits be appropriated so that the following amount can be carried forward	352,964,313
SEK	**352,964,313**

Regarding the company's earnings and position in general, reference is made to the income statements and balance sheets with associated additional disclosures.

Five-year summary

Amounts in KSEK unless stated otherwise	**2024**	2023	2022	2021	2020
Net sales	334,278	310,287	244,691	159,757	103,528
Gross profit	116,171	124,012	113,023	49,034	25,780
Gross margin (%)	34.8	40.0	46.2	30.7	24.9
Operating profit/loss before items affecting comparability	–83,743	–66,518	–75,019	–80,475	–97,749
Operating income	–53,743	–72,575	–75,019	–81,731	–103,386
Operating cash flow	–18,570	–95,687	–120,506	–66,338	–3,863
Total assets	662,440	425,114	473,946	521,328	564,692
Equity	413,703	275,434	332,874	383,451	457,560
Equity/assets ratio (%)	62.5	64.8	70.2	73.6	81.0
Current ratio	2.4	3.5	4.5	5.7	11.9
Number of shares	57,892,434	52,142,434	52,142,434	52,142,434	52,142,434
Earnings per share (SEK)	–1.52	–1.57	–1.09	–1.50	–2.19
Dividend per share (SEK)	—	—	—	—	—

Consolidated statement of comprehensive income

Amounts in KSEK	Note	**2024**	2023
Net sales	6	334,278	310,287
Cost of goods sold	7	–218,107	–186,275
Gross profit		**116,171**	**124,012**
Sales and administration costs	7, 9	–113,334	–105,796
Research and development costs	7, 9	–110,877	–114,498
Other operating income	10	48,908	55,036
Other operating costs	7, 11	–24,611	–25,272
Operating income before items affecting comparability		**–83,743**	**–66,518**
Items affecting comparability	7, 13	30,000	–6,057
Operating income		**–53,743**	**–72,575**
Financial income		8,829	21,505
Financial expenses		–2,670	–11,885
Net financial items		**6,159**	**9,620**
Profit (loss) before tax		**–47,584**	**–62,955**
Income tax	14, 26	299	–5
Profit (loss) for the year		**–47,285**	**–62,960**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange differences from foreign operations		–317	234
Other comprehensive income for the year		**–317**	**234**
Total comprehensive income for the year		**–47,602**	**–62,726**

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

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

Amounts in SEK		**2024**	**2023**
Earnings per share, basic	32	–1.52	–1.57
Earnings per share, diluted	32	–1.52	–1.57

Consolidated balance sheet

Amounts in KSEK	Note	**2024-12-31**	2023-12-31
ASSETS			
Non-current assets			
Intangible assets			
Software	18	6,194	5,996
Capitalized development costs	18	56,575	16,490
Total intangible assets		**62,769**	**22,486**
Right-of-use assets			
Right-of-use-assets	17	26,326	31,838
Total Right-of-use assets		**26,326**	**31,838**
Property, plant and equipment			
Machinery and vehicles	16	23,650	28,648
Equipment, tools, fixtures and fittings	16	1,790	4,728
Total property, plant and equipment		**25,440**	**33,376**
Deferred tax assets			
Deferred tax assets	14, 26	413	279
Total deferred tax assets		**413**	**279**
Total non-current assets		**114,948**	**87,979**

Consolidated balance sheet (cont.)

Amounts in KSEK	Note	2024-12-31	2023-12-31
Current assets			
Inventories			
Raw materials and consumables	21	120,001	100,683
Products in progress	21	8,301	15,382
Inventories of finished goods	21	15,878	920
Total inventories		**144,180**	**116,985**
Current receivables			
Trade receivables	19, 20	35,349	72,013
Current tax asset		2,252	1,976
Contractual assets	28	113,484	46,594
Other current receivables	19, 22, 31	25,992	16,010
Prepaid costs and accrued income	23	7,316	16,715
Total current receivables		**184,393**	**153,308**
Cash and cash equivalents	19, 24, 31	218,919	66,842
Total current assets		**547,492**	**337,135**
TOTAL ASSETS		**662,440**	**425,114**

Amounts in KSEK	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	25		
Share capital		1,274	1,147
Other contributed capital		816,892	635,007
Reserves		–317	—
Retained earnings (including profit (loss) for the year)		–404,146	–360,720
Total equity attributable to Parent Company shareholders		**413,703**	**275,434**
Liabilities			
Non-current liabilities			
Other non-current financial liabilities	19, 27	—	30,000
Liabilities leases	27	17,173	21,521
Deferred tax liability	26	395	611
Total non-current liabilities		**17,568**	**52,132**
Current liabilities			
Liabilities leases	27	6,646	6,614
Contractual liabilities	28	5,106	1,789
Trade payables	19	73,312	35,198
Short-term loans	19, 27	50,000	—
Other current liabilities		10,249	8,521
Provisions	30	5,890	3,571
Accrued costs and prepaid income	29	79,966	41,855
Total current liabilities		**231,169**	**97,548**
Total liabilities		**248,737**	**149,680**
TOTAL EQUITY AND LIABILITIES		**662,440**	**425,114**

Consolidated statement of changes in equity

		Attributable to shareholders of the Parent Company				
Amounts in KSEK	Note	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for the year	Total equity
Opening balance at 1 January 2023		**1,147**	**635,007**	**–234**	**–303,046**	**332,874**
Profit (loss) for the year		—	—	—	–62,960	–62,960
Other comprehensive income for the year		—	—	234	—	234
Total comprehensive income for the year		**—**	**—**	**234**	**–62,960**	**–62,726**
Transactions with shareholders in their role as owners						
Share-based benefits	9	—	—	—	5 286	5 286
Closing balance at 31 December 2023	25	**1,147**	**635,007**	**—**	**–360,720**	**275,434**
Opening balance at 1 January 2024	25	**1,147**	**635,007**	**—**	**–360,720**	**275,434**
Profit (loss) for the year		—	—	—	–47,285	–47,285
Other comprehensive income for the year		—	—	–317	—	–317
Total comprehensive income for the year		**—**	**—**	**–317**	**–47,285**	**–47,602**
Transactions with shareholders in their role as owners						
New share issue		127	181,885	—	—	182,012
Share-based benefits	9	—	—	—	3,859	3,859
Closing balance at 31 December 2024	25	**1,274**	**816,892**	–317	**–404,146**	**413,703**

Consolidated cash flow statement

Amounts in KSEK	Note	**2024**	2023
Cash flow from operating activities			
Operating profit (loss)		–53,743	–72,575
Adjustments for non-cash items	35	2,183	22,354
Interest received		1,416	3,897
Interest paid		–2,395	–892
Tax paid		–413	–77
Cash flow from operating activities before changes in working capital		**–52,952**	**–47,293**
Cash flow from changes in working capital			
Increase/decrease of inventories		–26,542	–34,195
Increase/decrease of trade receivables		32,481	1,359
Increase/decrease of other receivables		–52,890	–27,099
Increase/decrease of trade payables		41,260	2,490
Increase/decrease of other liabilities		40,073	9,051
Total changes in working capital		**34,382**	**–48,394**
Cash flow from operating activities		**–18,570**	**–95,687**
Cash flow from investing activities			
Acquisitions of tangible and intangible assets		–46 703	–28,482
Sales of tangible and intangible assets		161	312
Cash flow from investing activities		**–46 542**	**–28,170**
Cash flow from financing activities			
New share issue		182,012	—
Repayment of leasing liability	34	–7,321	–8,780
Short-term borrowings		50,000	—
Cash flow from financing activities		**224,691**	**–8,780**
Decrease/increase of cash and cash equivalents		**159,579**	**–132,637**
Exchange rate differences in cash and cash equivalents		7,070	6,589
Opening cash and cash equivalents		70,809	196,857
Closing cash and cash equivalents*	24, 31	**237,458**	**70,809**

* Cash equivalents include bank funds as well as blocked bank funds.

Notes to the consolidated statements

Note 1 General

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

The consolidated financial statements for the financial year ending 31 December 2024, have been approved by the Board for publication on 31 March 2025.

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

Amounts in tables and other compilations have been rounded off separately. Minor rounding differences may therefore occur in summations.

Note 2 Summary of material accounting policies

Included in this Note is a list of material accounting policies applied in the preparation of these consolidated financial statements. The policies have been applied consistently for all year presented, unless otherwise stated. The consolidated financial statements cover the Parent Company Powercell Sweden AB (publ) and its subsidiaries.

Basis of preparation

The Groups consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. In addition, the Annual accounts act and Swedish Financial Reporting Board's recommendation RFR 1 has been applied.

The consolidated financial statements are prepared in accordance with the cost method except for assets held for sale and financial assets and liabilities (including derivatives) measured at fair value through profit or loss.

Change standards applied by the Group

Note 2 concerning accounting policies has been adapted to the updated IAS1 regarding disclosure of material accounting policies.

Note 2.1 Consolidated financial statements

Subsidiaries

Subsidiaries are all companies in which the Group has a controlling influence. The Group has control over a company when it is exposed to or have a right to variable returns from its participation in the company, and has the possibility to influence the return through its participation in the company. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to recognize the Group's business combinations. The acquisition price is the consideration paid for a subsidiary and comprise the fair value of the assets transferred, the liabilities incurred by the Group to the previous owner of the company. The consideration also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred. Inter-company transactions, balance sheet items and unrealized gains and losses on transaction between Group companies are eliminated. The accounting principles for subsidiaries have, when necessary, been revised in order to ensure a consistent application of the Group's accounting principles.

Note 2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing the performance of the operating segments. The CEO of PowerCell is the chief operating decision maker. PowerCell has identified an operating segment which makes up the Group's operation as a whole. The assessment is based on the operations in their entirety being reviewed regularly by the CEO, as a base for allocating resources and assessing the performance.

Note 2.3 Translation of foreign currencies

(i) Functional currency and presentation currency

The entities in the Group have the local currency as their functional currency, as the local currency has been defined as the primary economic environment in which each entity operates. The consolidated accounts are presented in SEK, which is the Parent Company's functional and the Group's presentation currency.

(ii) Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency, applying the exchange rates prevailing on the transaction dates. Foreign exchange-rate profits and losses from such transactions and at the translation of monetary assets and liabilities in foreign currencies using the exchange rates prevailing at the balance sheet date, are recognized in operating profit (loss) in other comprehensive income. Foreign exchange-rate profits and losses attributable to liabilities and cash and cash equivalents are recognized in the statement of comprehensive income as financial income and financial costs. All other foreign exchange-rate profits and losses are recognized under other operating costs and other operating income, respectively.

(iii) Translation of foreign Group companies

Profit (loss) and financial position for all companies with a functional currency other than the reporting currency are translated to the reporting currency of the Group. Assets and liabilities for each of the balance sheets are translated from the foreign operation's functional currency to the Group's reporting currency, applying the exchange rates prevailing on the balance sheet date. Income and costs for each of the income statements are translated to SEK using average rate for the current month. Foreign exchange differences arising from the currency translation of foreign operations are recognized in other comprehensive income. Accumulated profit or loss are recognized in profit (loss) for the year when the foreign entity is disposed of, wholly or in part.

Note 2.4 Revenue

The Group's principles for recognition of revenue from customers contracts are presented below.

(i) Sales of goods

The Group develops, manufactures and sells fuel cell stacks, fuel cell systems (hardware). In the majority of the cases, PowerCell will sell the hardware without any conditional liabilities associated with installation and support. The Group receives revenue from the sale of goods and services both over time and at a point in time. Delivery occurs when the goods have been transported to the specific location, when the risk of obsolete or lost goods have been transferred to the customer, and the customer has either accepted the goods in accordance with the agreement, the period of time for objections to the agreement has expired, or the Group has objective evidence that all criteria of acceptance are met. No financing component is deemed to be existent at the date of sale for the Group's products.

(ii) Sales of services

The Group provides services, including:

- Technical support regarding fuel cell stacks and fuel cell systems
- Development services, such as customized fuel cell stacks and fuel cell systems
- Service agreements

The above services are recognized as separate performance obligations when the customer, separately or in connection with other available resources, can make use of such a service, and it can be contractually separated from other commitments in the agreement. In the case an agreement includes more than one performance obligation, the transaction price is allocated to each separate performance obligation, based on their independent sales prices. Technical support and development services are deemed to make up separate performance obligations, where income is recognized over time. Service agreements are recognized on a straight-line basis over the term of contract.

For major assignments, within both goods and services, that meet the criteria for revenue recognition over time, income and expenses are reported in relation to the degree of completion of the assignment on the balance sheet date.

The degree of completion of an assignment is determined in the ratio between the commissioned expenses incurred for work performed on the balance sheet date and the estimated total commission expenses. When the outcome of an assignment cannot be calculated in a reliable manner, only the amount corresponding to the incurred assignment expenses that are likely to be reimbursed by the customer is recognized as an income and other incurred assignment expenses are reported as expenses in the period in which they arise. As it is probable that the total commission expenses will exceed the total commission income, the feared loss is immediately reported as an expense in its entirety.

The company have for some contracts been awarded a fee for the transfer of IP-rights at the inception of the contract and/or at certain contractual milestones. The fees are all considered by the management to be irrevocable and to constitute a direct exchange of services in the sense that rights have been transferred to the counterparty. Consequently, the licence fees, for IP rights, have therefore been recognized as revenue directly in connection with the signing of the agreement and/or at the achievement of the contractual milestones.

Note 2.5 Intangible assets

Capitalized expenditure for development activities

Maintenance costs are expensed as incurred. Development costs directly attributable to the development of fuel cell stacks and fuel cell systems over which the Group has control, are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete them so that they will be available for use;
- it is the Group's purpose to complete them so that they will be available for use or sale;
- there are prerequisites to make them available for use or sale;
- it is possible to prove how they are likely to generate future economic benefits;
- there are adequate technical, economic and other resources to fulfill the development and to make them available for use or sale; and
- the costs attributable to the assets during development can be reliably calculated.

Directly attributable costs recognized as a component of development work include expenses for employees, external consultants, materials and laboratory costs.

Other development costs, that do not meet these criteria, are expensed as incurred. Development expenditure previously carried at cost is not recognized as an asset in a subsequent period.

Capitalized development expenditure is recognized as intangible assets and is depreciated from the date when the asset is ready for use.

The Group's costs of research and development have not been deemed to meet the criteria for capitalization, and have instead been expensed in their entirety.

note 2 cont.

Software
Software acquired separately, together with related costs for installation, is recognized at cost, less accumulated depreciation. The estimated useful life is normally 5 years, which corresponds to the estimated period of time during which these assets will generate cash flows.

Useful lives of the Group's intangible assets
Software 5 years

Note 2.6 Leases

The Group as a lessee
The Group only acts as a lessee. The Group's leases mainly comprise the right-of-use regarding premises and equipment. The leases are recognised as a right-of-use asset with a corresponding lease liability when the leased asset is available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are exempted.

Each lease payment should be divided between amortisation of the lease liability and a financial cost. The financial cost should be allocated over the lease term, so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognised under each period.

The lease term is determined as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Group's lease liabilities are recognised at the present value of the Group's fixed lease payments (including in-substance fixed lease payments). Purchase options are included if it is reasonably certain that the Group will exercise the option to acquire the underlying asset. Penalties for terminating the lease are included if the lease term reflects that the lessee will exercise an option to cancel the lease. Lease payments are discounted with the interest rate implicit in the lease, if this rate can easily be determined. Otherwise, the Group's incremental borrowing rate is applied.

The Group's right-of-use assets are recognised at cost, and include initial present value of the lease liability, adjusted for lease payment made at or before the commencement date and any initial direct expenses. Restoration costs are included in the asset if a corresponding provision for restoration costs exists. The right-of-use asset is depreciated on a straight-line basis over the asset's useful life and the lease term, whichever is the shortest.

Note 2.7 Property, plant and equipment

Property, plant and equipment are recognized at cost less depreciation and any impairment. In cost is included expenditure directly attributable to the acquisition of the asset, and the cost of bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the acquisition.

Additional costs are added to the asset's carrying value or are recognized as a separate asset, depending on which is most suitable, only when it is probable that the future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be reliably measured. The carrying value of a substituted part is derecognized. All other kinds of reparations and maintenance are recognized at cost in the statement of comprehensive income in the period in which they occur.

Depreciation of assets, in order to allocate their cost to their estimated residual value over their estimated useful lives, is done on a straight-line basis according to the following:

The following depreciation periods apply:

Machinery and vehicles	3–10 years
Equipment, tools and fixtures and fittings	3–10 years

The assets' residual values and useful lives are assessed at the end of each reporting period and adjusted, if needed.

The carrying value is immediately written down to its residual value if the asset's carrying value exceeds its estimated residual value.

Profit or loss from the disposal of property, plant and equipment is established through a comparison of the profit from the sales and the carrying value, and is recognized in "Other operating income" and "Other operating costs", respectively, in the statement of comprehensive income.

Note 2.8 Impairment of non-financial assets

Intangible assets not ready for use (capitalized expenditure for development activities), are not impaired, but tested annually for any indication of impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is made in the amount to which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the greater of an asset's fair value, less selling expenses and the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separate, identifiable cash flows (CGUs). Assets that have previously been impaired are tested for reversal on each balance sheet date.

Note 2.9 Financial instruments of general information

Financial instruments are recognized in various balance sheet items and are further presented below.

Initial recognition
Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual terms and conditions of the instrument. Purchases and sales of financial instruments are reported on the trade date, that is, the date on which the Group commits itself to purchase or sell the asset.

Financial instruments are initially valued at fair value plus transaction costs directly attributable to the acquisition or issuance of a financial asset or a financial liability, e.g., fees and commission fees.

Classification
The Group only holds financial assets and liabilities in the category amortized cost. The classification is based on the purpose for acquiring the financial asset or liability.

Financial assets at amortized cost
Assets held with the sole purpose of collecting contractual cash flows, and where these cash flows comprise only principal and interest, are valued at amortized cost. The carrying value of these assets are adjusted for any expected credit losses that have been recognized (refer to impairment below). Interest income from these financial assets are recognized in accordance with the effective interest method and are included in financial income. The Group's financial assets valued at amortized cost comprise the items trade receivables, other receivables, accrued income and cash and cash equivalents.

Financial liabilities at amortized cost
The Group's other financial assets are classified as subsequently valued at amortized cost applying the effective interest method. Other financial liabilities comprise other non-current liabilities, trade payables and a portion of other current liabilities.

Borrowings
Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently recognized at amortized cost and any difference between the amount received (net of transaction costs), and the amount to be repaid is recognized in the statement of comprehensive income, distributed over the term of the loan, using the effective interest method.
The liability is classified as current in the balance sheet, if the company does not have an unconditional right to postpone the settlement of the liability for at least twelve months after the reporting period.

Derecognition of financial instruments
Derecognition of financial assets
Financial instruments are derecognized from the balance sheet when the contractual rights to receive cash flows from the instruments have expired or been transferred, and the Group has either (i) substantially transferred all of the risks and rewards associated with ownership, or (ii) not substantially transferred all of the risks and rewards associated with ownership and the Group has not retained control of the asset.

Derecognition of financial liabilities
Financial liabilities are derecognized from the balance sheet when the obligations are settled, cancelled or has expired in any other way. The difference between the carrying value of a financial liability (or a portion of a financial liability) that has been extinguished or transferred to another party and the fee paid, including assets transferred, assets that are not cash and cash equivalents or assumed liabilities, are reported in the statement of comprehensive income.

When the terms and conditions are re-negotiated and are not derecognized, a profit or loss is reported in the statement of comprehensive income. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Offsetting of financial instruments
Financial assets and liabilities are offset and recognized with a net amount in the balance sheet only when there is a legal right to offset the recognized amounts and an intention to balance the items with a net amount, or to simultaneously realize the asset and settle the liability. The legal right must not be dependent on future events and it must be legally binding for the Company and the counterparty, both in the normal course of business and in case of suspension of payments, insolvency or bankruptcy.

Impairment of financial assets
Assets recognized at amortized cost
The Group assesses future credit losses associated with assets recognized at amortized cost. The Group recognizes a credit reserve for such expected credit losses on each reporting date. For trade receivables, the Group applies the simplified method of credit reserves, i.e., the reserve will correspond to the expected loss over the whole life of the trade receivable. In order to measure the credit losses, trade receivable are grouped based on credit risk characteristics and days past due. The Group applies forward-looking variables for expected credit losses. Expected credit losses are recognized in the consolidated statement of comprehensive income, in the items sales and administrative costs.

Note 2.10 Inventories

Inventories are reported using the first-in, first-out method at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the on-going course of business, less applicable variable selling expenses.

Note 2.11 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issuance of new ordinary shares are recognized, net of tax, in equity as a deduction for the proceeds of the issue.

note 2 cont.

Note 2.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifies assets are recognized as a portion of the cost for these assets.

All other borrowing costs are expensed as incurred.

Note 2.13 Employee benefits

Pension obligations

Within PowerCell, there are both defined-contribution plans and defined-benefit plans. A defined-contribution plan is a pension plan according to which the Group pays a fixed amount to a separate legal entity. PowerCell has no legal or constructive obligation to pay additional premiums of this legal entity does not have adequate means to pay all benefits to employees, attributable to their service in current or previous periods. The premiums are reported as personnel costs when they fall due.

PowerCell's defined benefit plans comprise the defined pension benefit obligations of the ITP 2 plan. The defined pension benefit obligations of the ITP 2 plan for retirement pensions and survivor's pension are secured through an insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for the pension plan ITP 2 financed through an insurance in Alecta, this is a defined benefit multi-employer plan. For the financial year 2024, PowerCell has not had access to information in order to be able to report its proportional share of the obligations of the plan, plan assets and costs and, therefore, it has not been possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan, secured through an insurance with Alecta, is therefore reported as a defined contribution plan. The premium of the defined contribution plan for retirement pensions and survivor's pension is calculated individually, and is, among other factors, based on salary, previously earned pension and expected remaining years of service. Expected premiums for the next reporting period for ITP insurances agreed with Alecta is KSEK 7,100.

The collective consolidation level comprise the market value of Alecta's assets as a percentage of the insurance obligations in accordance with Alecta's actuarial methods and assessments, which do not comply with IAS 19. The collective consolidation level should normally be allowed to vary between 125% and 155%. If Alecta's collective consolidation level falls below 125% or exceeds 155%, measure should be taken in order for the consolidation level to return to the normal interval. At a low consolidation, one measure might be to increase the price when signing new insurance agreements and an expansion of existing benefits. At the end of the financial year 2024, Alecta's surplus of the collective consolidation level was, preliminary, 162 percent (157).

Short-term benefits:

Liabilities for salaries and remuneration, including non-monetary benefits and paid sick leave, that are expected to be settled within 12 months after the end of the financial year, are recognized as current liabilities at the non-discounted amount expected to be paid when the liabilities are settled. The cost is recognized as the services are rendered by the employees.
The liability is recognized as a liability regarding employee benefits in the balance sheet.

Share-based benefits

Share-based payment program is classified as equity-settled transactions, and the granted instrument's fair value at grant date is recognised over the vesting period. At each balance sheet date, the Group revises the estimates to the number of equity instruments that are expected to vest. PowerCell recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. In addition, the Group makes estimates for social costs related to the share-based payment program, which are recognized as accrued social costs. These costs are recognized in the income statement over the vesting period. The provision is periodically revalued based on the fair value of the instruments at each balance sheet date.

Note 2.14 Public grants

Public grants are reported at fair value when there is a reasonable assurance the grants will be received and the Group will meet the terms and conditions associated with the grants. Grants received before the terms and conditions to recognize them as revenue have been met, is recognized as a liability.

Government grants regarding cost recovery are allocated to the same periods which the grants are intended to cover.

Note 2.15 Earnings per share

(i) Earnings per share, basic

Earnings per share, basic, is calculated by dividing:
- equity attributable to Parent Company shareholders,
- with a weighted average number of ordinary shares during the period.

(ii) Earnings per share, diluted

For the calculation of earnings per share, diluted, the amounts are adjusted that were used for the calculation of earnings per share, basic, by taking into account:
- the weighted average of the further ordinary shares that would have been outstanding at a conversion of all potential ordinary shares.

Note 3 Financial risk management

3.1 Financial risk factors

Through its operations, the Group is exposed to a number of different financial risks related to cash and cash equivalents, accounts receivable, trade payables and loans: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group strives to minimize potential unfavorable effects on the Group's financial performance.

The aim of the Group's financial activities is to:
- secure that the Group can meet its payment obligations;
- manage financial risks;
- secure necessary financing; and
- optimize the Group's net financial income.

Credit risk is managed by Group management. If the customers have been valuated by an independent valuator, these valuations are used. In the cases where there is no independent credit rating, a risk assessment is made of the customer's creditworthiness, where financial position, historical experience and other factors are taken into account. As a significant portion of the Group's contracts have been agreed with wholly or part advance payments, or in other cases comprise customers with a strong financial position, the customer related credit risk is deemed to be limited.

(i) Market risk

Currency risk

The Group has international operations and is exposed to currency risk occurring from different currency exposures, mainly regarding euro (EUR). Currency risk arise from payment flows in foreign currencies, so called transaction exposure, and from the revaluation of balance items in foreign currencies and at the revaluation of foreign subsidiaries' income statements and balance sheets to the Group's reporting currency, which is Swedish kronor (SEK), so called balance exposure.

Currency risk occurs when future business transactions or recognized assets or liabilities are nominated in a currency which is not the entity's functional currency. In PowerCell, currency risk mainly occurs through cash and cash equivalents in foreign currencies (EUR) and future business transactions, mainly in the Parent Company, where a significant portion of the transactions are made in euro.

note 3 cont.

Sensitivity analysis – transaction exposure
Sensitivity in profit (loss) regarding changes in exchange rates mainly occurs in EUR. Significant items in the balance sheet in foreign currencies are found within trade receivables, cash and cash equivalents, contractual liabilities and trade payables.

Foreign currencies	31 December 2024	31 December 2023
Trade receivables	32,881	71,100
Cash and cash equivalents*	67,410	53,417
Contractual liabilities	–5,106	–1,789
Trade payables	–53,522	–23,477

A weakening/strengthening of the Swedish krona against the euro of 10% with all other variables remaining constant would result in a change of the profit after tax for the financial year 2024 would have been KSEK 4,167 (8,329) lower/higher. This is mainly due to gains/losses from the revaluation of cash and cash equivalents and trade payables.

* Cash equivalents include bank funds as well as blocked bank funds.

Interest rate risk
The debt to Nordea Bank Abp is short-term and matures on 27 June 2025. The interest terms are Stibor (Stockholm Interbank Offered Rate) 1 week + 2.550%, fixed for the entire term. The group is not exposed to any significant interest rate risk. For further information, see note 27.

(ii) Credit risk
Credit risk arises through participations in cash and cash equivalents, balances with banks and credit institutions and customer credit exposures, including outstanding receivables. Credit risk is managed by Group management.

Historically, the Group has had a low level of bad debts, as the customers to a large extent comprise well-known customers. If the customers have been valuated by an independent valuator, these valuations are used. In the cases where there is no independent credit rating, a risk assessment is made of the customer's creditworthiness, where financial position, historical experience and other factors are taken into account. Individual risk limits have been established based on internal and external credit ratings, in accordance with the limits established by the Board of Directors. Compliance with credit limits is monitored regularly by Group management.

31 Dec 2023	Receivables not yet due	1 to 30 days past due	30 to 60 days past due	60 to120 days past due	More than 120 days past due	Total
Expected credit loss	—	—	—	—	—	—
Carrying amounts gross – trade receivables	32,787	36,347	962	—	1,917	72,013

31 Dec 2024	Receivables not yet due	1 to 30 days past due	30 to 60 days past due	60 to120 days past due	More than 120 days pastdue	Total
Expected credit loss	—	—	—	—	–311	–311
Carrying amounts gross – trade receivables	17,332	9,347	1,460	3,951	3,570	35,660

(iii) Liquidity risk
Through a careful liquidity management the Group secures that there are sufficient cash and cash equivalents to meet the requirements of the operating activities. At the same time, the Group secures that there are sufficient cash and cash equivalents so that debts can be paid on maturity.

Group management monitors rolling forecasts for cash and cash equivalents of the Group based on expected cash flows.

The below table shows the Groups non-derivative financial liabilities, categorized by the time per the balance sheet date that remain until the contractual due date. Amounts in the table are the contractual, non-discounted cash flows. Future cash flows in foreign currencies and regarding variable interest rates have been calculated based on the exchange and interest rate prevailing on the balance sheet.

31 December 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total contractual cash flows	Carrying value
Financial liabilities							
Other financial liabilities	—	—	—	—	30,000	30,000	30,000
Liabilities, leasing	1,760	4,835	5,880	15,590	—	28,065	28,135
Trade payables	35,198	—	—	—	—	35,198	35,198
Total	**36,958**	**4,835**	**5,880**	**15,590**	**30,000**	**93,263**	**93,333**

31 December 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total contractual cash flows	Carrying value
Financial liabilities							
Short-term loans	—	50,000	—	—	—	50,000	50,000
Liabilities, leasing	1,693	4,933	6,491	10,642	—	23,759	23,819
Trade payables	73,312	—	—	—	—	73,312	73,312
Total	**75,005**	**54,933**	**6,491**	**10,642**	**—**	**147,071**	**147,131**

Note 3.2 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Group assesses the capital based on the debt/equity ratio. This key performance indicator is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including the items current borrowings and non-current borrowings in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as net debt plus equity.

	31 December 2024	31 December 2023
Total borrowings (Note 27)	73,819	58,135
Less: cash and cash equivalents	–218,919	–66,842
Net debt (+)/Net cash (–)	**–145,100**	**–8,707**
Total equity	413,703	275,434
Total capital	**268,603**	**266,727**

Note 4 Significant accounting estimates and judgements

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. The estimates and assumptions that entail a significant risk of significant adjustments in reported values for assets and liabilities during the next financial year are dealt with in main features in outline below.

Valuation of inventories
The Group recognizes inventories of KSEK 144,180 (116,985). For 2024 a reduced obsolescence reserve of KSEK –653 (–7,305) was recognized. The reduction in the obsolescence reserve is mainly due to the initiation of the continuous process for scrapping components. An obsolescence reserve is recognized if the estimated net sales value is lower than cost, and in connection with this, the Group makes estimates and judgements regarding, among other factors, future market situation and estimated net sales values. The risk of obsolescence arises in periods of a drop in demand, and where the technological development on the markets in which the Group has operations pose a specific risk. An inability to foresee and meet the expectations of the market might result in a future need of making provisions for inventory obsolescence.

Trade receivables
For trade receivables, the Group applies the simplifies method of credit reserves, i.e., the reserve will correspond to the expected loss over the whole life of the trade receivable. In order to measure the credit losses, trade receivable are grouped based on credit risk characteristics and days past due. The Group applies forward-looking variables for expected credit losses. This method implies that certain judgements need to be made regarding the probability that a trade receivable will flow to the Group. During the year, a credit provision of KSEK 311 (0) was made.

Deferred tax liabilities and tax assets
Significant judgements are made in order to determine deferred tax liabilities and tax assets, not least regarding deferred tax assets. The Company need to assess the probability that the deferred tax assets will be utilized to offset future taxable profits.

At the end of 2024, the Group had losses carried-forward of approximately KSEK 529,734 (446,804) that had not been valued based on the assessment that a utilization must be probable. Thus, changed assessments for the probability of utilization can impact the performance both negatively as positively.

Intangible assets
The Group's costs of research and development have in some cases been deemed to met the requirements to be capitalized, see Note 18. Otherwise the expenses have been expensed in their entirety. During the year, MSEK 40.3 (16.5) has been capitalized as intangible assets. The majority of the activations relate to the development of a new PS200 system and a smaller part relates to the development of a 5 kW system for vehicles that need auxiliary power to operate, for example, cooling or heating systems. These capitalizations are subject to impairment testing at the balance sheet date. If the development projects is deemed not to lead to saleable products or if the market's demand for the products is lower than what management has forecasted, the asset may have to be written down.

Percentage of completion
For longer, more complex customer contracts, the percentage of completion method is applied involving a judgement from management. The degree of completion of an assignment is determined in the ratio between the the commissioned expenses incurred for work performed and the materials used on the balance sheet date and the estimated total commission expenses. When the outcome of an assignment cannot be calculated in a reliable manner, only the amount corresponding to the incurred assignment expenses that are likely to be reimbursed by the customer is recognized as an income and other incurred assignment expenses are reported as expenses in the period in which they arise. Changed assessments of the projects' total expenses have retroactive effects that affect revenue and profit settlement. As part of the ongoing operations, reviewing risks in projects and total expenses forecasts are included. This review may result in corrections to project estimates, both positive and negative. The reporting of long-term customer contracts also affects balance sheet items such as contractual assets and contractual liabilities and, where applicable, provisions for loss contracts. During the year, MSEK 188.3 (133.5) has been recognized according to successive profit deductions.

Note 5 Segment information

Description of segments and main activities
PowerCell's CEO is the chief operating decision maker and evaluates financial position and performance and makes strategic decisions. The CEO has established operating segments based on the information processed and which is used as a base for allocating resources and to evaluate performance. The CEO monitors and evaluates the Group from an operating segment, which is the Group in its entirety.

The CEO uses mainly the operating income in the assessment of the Group's performance.

All fixed assets are found in Sweden.

Note 6 Net sales

Revenue
The Group receives revenue from the transfer of goods and services both over time and at a point in time in the following categories and from the below geographic markets.

	2024	2023
Revenue from external customers		
Hardware	71,278	92,267
Services	36,901	65,499
Royalty fees	37,787	18,993
Projects according to percentage of completion	188,312	133,528
Total	**334,278**	**310,287**

Revenue from external customers per country, based on where customers are located:

Net sales by geographic market:	**2024**	2023
Sweden	3,031	6,111
Germany	71,429	55,876
UK	12,047	83,694
US	21,204	38,514
Norway	100,575	93,687
Italy	87,284	—
Other	38,708	32,405
Total	**334,278**	**310,287**

The Group has for 2024 three external customers, which individually exceed 10% of the Group´s total revenues. Revenue per customer amounts to approximately KSEK 99,716, KSEK 83,788 respectively KSEK 37,823.

For 2023 the Group had two external customers, which individually exceed 10% of the Group´s total revenues. Revenue per customer amounts to approximately KSEK 91,581 respectively KSEK 62,736.

Note 7 Costs by nature

	2024	2023
Cost of sold goods	218,107	186,275
Other external costs	105,997	104,030
Expected credit losses	311	—
Personnel costs	95,046	98,484
Depreciation of tangible assets	19,846	21,402
Depreciation of intangible assets	3,011	2,434
Other operating costs	24,611	25,272
Total	**466,929**	**437,897**

Note 8 Auditors' fees

	2024	2023
PricewaterhouseCoopers AB		
Audit assignment	1,441	905
Audit activities in addition to the audit assignment	242	207
Other services	92	408
Total	**1,775**	**1,520**

Note 9 Employee benefits, etc.

	2024	2023
Salaries and other remuneration	102,579	90,190
Share-based benefits	3,859	5,286
Social security contributions	30,458	25,288
Pension costs – defined contribution plans	13,423	10,763
Total employee benefits	**150,320**	**131,527**

Salaries and other remuneration and social security contributions

	2024		2023	
	Salaries and other remuneration (of which bonuses)	Social security contributions (of which pension costs)	Salaries and other remuneration (of which bonuses)	Social security contributions (of which pension costs)
Directors of the Board, presidents and other senior executives	25,032 (1,341)	13,280 (6,294)	24,068 (3,089)	9,755 (4,158)
Other employees	81,407 (1,811)	30,601 (7,130)	71,408 (4,192)	26,296 (6,605)
Group total	**106,439**	**43,881**	**95,476**	**36,051**

Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual): 8.8 (10.4).

Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual): –3.3 (0.4).

Total compensation used in calculations includes base salary, bonus, share-based benefits, pension and other benefits.

Average number of employees per country

	2024		2023	
	Average number	Of which men	Average number	Of which men
Sweden	125	95	106	79
Germany	1	1	1	1
Norway	1	1	1	1
US	1	1	—	—
China	—	—	2	1
Group total	**128**	**98**	**110**	**82**

Gender breakdown (incl. subsidiaries) for Director of the Board and other senior executives

	2024		2023	
	Average number	Of which men	Average number	Of which men
Directors	7	4	7	4
CEO and other senior executives	11	8	9	7
Group total	**18**	**12**	**16**	**11**

note 9 cont.

Remuneration and other benefits to senior executives 2024

KSEK	Director's fees/ Basic salary	Variable remuneration	Other benefits	Pension costs	Share-based benefits	Total
Chairman of the Board Magnus Jonsson	717	—	—	—	—	717
Director Nicolas Boutin	280	—	—	—	—	280
Director Helen Fasth Gillstedt	458	—	—	—	—	458
Director Riku-Pekka Hägg	280	—	—	—	—	280
Director Uwe Hillmann	—	—	—	—	—	—
Director Annette Malm Justad	403	—	—	—	—	403
Director Karin Ryttberg-Wallgren	314	—	—	—	—	314
CEO Richard Berkling	2,956	245	111	1,045	2 017	6,374
Other senior executives (10 individuals)	14,972	1,096	751	5,249	432	22,500
Group total	**20,380**	**1,341**	**862**	**6,294**	**2,449**	**31,326**

Remuneration and other benefits to senior executives 2023

KSEK	Director's fees/ Basic salary	Variable remuneration	Other benefits	Pension costs	Share-based benefits	Total
Chairman of the Board Magnus Jonsson	528	—	—	—	—	528
Director Dirk De Boever	55	—	—	—	—	55
Director Nicolas Boutin	165	—	—	—	—	165
Director Helen Fasth Gillstedt	330	—	—	—	—	330
Director Riku-Pekka Hägg	220	—	—	—	—	220
Director Uwe Hillmann	—	—	—	—	—	—
Director Annette Malm Justad	292	—	—	—	—	292
Director Karin Ryttberg-Wallgren	237	—	—	—	—	237
CEO Richard Berkling	2,789	607	142	831	2,778	7,147
Other senior executives (9 individuals)	11,418	2,482	572	3,327	1,454	19,253
Group total	**16,034**	**3,089**	**714**	**4,158**	**4,232**	**28,227**

CEO and senior executives
In addition to a fixed salary to the CEO and other senior executives, variable remuneration will be paid if established performance goals are achieved. The remuneration is established by the Board of Directors. During the financial year, variable remuneration amounting to KSEK 245 (607) was paid to the CEO, and KSEK 1,096 (2 ,482) to other senior executives.

Other benefits comprise KSEK 862 (714), mainly consisting of car compensations of KSEK 802 (675).

Between the Company and the CEO, there is a period of notice of six months. If the termination is initiated by the Company, the CEO is entitled to three months' severance pay. No agreements exist regarding severance pay for other employees.

Board of Directors
According to a decision at the AGM in april 2024, Director's fees will be paid up until the next AGM amounting to KSEK 2,660 of which KSEK 780 to the Chairman of the Board. One director waives their remuneration.

Share-based benefits
The general meeting of PowerCell 2021 decided to implement a performance-based long-term incentive program for certain senior executives and key persons in the Company ("LTI 2021"). The motives for the LTI 2021 are to reinforce the Company's ability to retain existing workforce and recruit key personnel to the Company. The proposal has also been developed with the aim of spreading and increasing shareholding among the Participants and ensuring a common focus on long-term and sustainable growth for the Company, which would ensure that the shareholders' and Participants' interests are further consolidated.

LTI 2021 includes maximum 28 key persons in the Company. The maximum number of Performance Share Rights that can be allotted in the program is limited to 390 601 (corresponding to equal number of shares in the company. The Performance Share Rights mean that Participants in the program are entitled to receive free of charge one warrant in the Company for each Performance Share Right with a right for its holder to acquire one share in the Company at a price corresponding to the quota value of the share at the time the shares are subscribed (currently SEK 0.022), provided that vesting conditions stated below are fulfilled.

After a vesting period of five years the participants will be allotted warrants in the Company free of charge, provided that certain vesting conditions are fulfilled. In order for these Performance Share Rights to entitle the Participant to an allotment, the Participant must have chosen to retain his/her assignment in the Company under the current vesting period until 1 January 2026.

The Performance Share Rights are gradually vested over approximately five years, corresponding to five periods until 1 January 2026 (each such period is a "vesting period").

In addition to the above conditions, the Performance Share Rights are subject to performance conditions based on the extent the Company achieves certain milestones set by the Board for respective vesting period. In addition to fulfilling the performance conditions, the annual outcome of LTI 2021 depends on the annual development of PowerCell's share price in relation to average annual share price development for all companies whose shares are listed for trading on the stock exchange where PowerCell's shares, at any given time, are listed.

One warrant, for each Performance Share Right vested, is distributed to the participant in connection to the Annual General meeting 2026. The participant will then have the right to exercise the warrants until 1 July 2026.

The value for one warrant has been estimated to SEK 151.08 in December 2021. This valuation is based on a MonteCarlo-model that has conducted 100 000 simulations for each period. The most important assumptions, apart from the program conditions, are risk free interest rate, which has been set to the interest rate of Swedish Government Bonds with corresponding duration, and volatility, where historical volatility of PowerCell share (61.3%) and for the OMX Nordic First North (14.2%) has been used. Potential dividends are not considered in the valuation. Revaluation has then been done in December 2022, December 2023 and December 2024, for which the result affects the participants for the respective year, as well as social contributions for all participants in the program regardless of the year they joined the program.

For 2024, LTI 2021 entailed a cost in the income statement of MSEK 3.7 (4.4) (including a cost reduction of MSEK –0.1 (–0.9) for social security contributions). The total provision for social security contributions in the balance sheet amounts to MSEK 1.0 (1.1).

Note 10 Other operating income

	2024	2023
Contributions attributable to the financing of projects and government grants	30,735	30,607
Exchange-rate differences	16,913	23,908
Profit on disposal of fixed assets	161	131
Other	1,098	390
Total	**48,908**	**55,036**

Note 11 Other operating costs

	2024	2023
Exchange-rate differences	24,611	25,106
Other	—	166
Total	**24,611**	**25,272**

Note 12 Exchange rate differences – net

Exchange rate differences have been reported in the statement of comprehensive income according to the following:

	2024	2023
Other operating income (Note 10)	16,913	23,908
Other operating costs (Note 11)	–24,611	–25,106
Total	**–7,698**	**–1,198**

Note 13 Items affecting comparability

Items affecting comparability consists of the following:

	2024	2023
Costs related to re-listing Nasdaq Stockholm	—	–6,057
Government loan converted into a grant	30,000	
Total	**30,000**	**–6,057**

Items affecting comparability refer to significant income or expense items that are reported separately due to the significance of their nature or amount. The transactions must not be close to the day-to-day operations.

Note 14 Income tax

	2024	2023
Current tax		
Tax on profit for the year	–51	–45
Total current tax	**–51**	**–45**
Deferred tax		
Occurrence and reversal of temporary differences	350	40
Total deferred tax	**350**	**40**
Total income tax	**299**	**–5**

Income tax of on the Group's operating income before tax differs from the theoretical amount that would have appeared at the use of the Swedish tax rate for the profit of the consolidated companies according to the following:

	2024	2023
Profit (loss) before tax	**–47,584**	**–62,955**
Income tax calculated according to the Swedish tax rate 20.6% (20.6%).	9,802	12,969
Tax effects from:		
Non-deductible costs	–1,525	–2,151
Losses carried-forward, for which no deferred tax asset is recognized	–7,978	–10,823
Income tax	**299**	**–5**

Weighted average tax rate for the Group was 1% (0).

Note 15 Investments in subsidiaries

The Group had the following subsidiaries on 31 December 2024:

Name	Country of registration and operations	Operations	Share of ordinary shares directly owned by the Parent Company	Share of ordinary shares directly owned by the Group (%)
Powercell Deutschland GmbH	Germany	Research organisation	100	100
Powercell Warrants One AB	Sweden	Administration	100	100
Powercell China LTD	China	Sales organisation	100	100
Powercell Norway AS	Norway	Administration	100	100
Powercell Inc.	US	Sales organisation	100	100

Note 16 Property, plant and equipment

	Machinery and other technical facilities	Equipment, tools, fixtures and fittings	Total
Financial year 2023			
Opening carrying value	31,066	3,751	34,817
Purchase	9,135	2,503	11,638
Sales and disposals	–446	–171	–617
Depreciation	–11,107	–1,355	–12,462
Closing carrying value	**28,648**	**4,728**	**33,376**
At 31 December 2023			
Cost	116,074	11,036	127,110
Accumulated depreciation	–87,426	–6,308	–93,734
Carrying value	**28,648**	**4,728**	**33,376**
Financial year 2024			
Opening carrying value	28,648	4,728	33,376
Purchase	3,025	3,442	6,467
Reclassifications	2,151	–5,139	–2,988
Depreciation	–10,174	–1,241	–11,415
Closing carrying value	**23,650**	**1,790**	**25,440**
At 31 December 2024			
Cost	121,250	9,339	130,589
Accumulated depreciation	–97,600	–7,549	–105,149
Carrying value	**23,650**	**1,790**	**25,440**

Depreciation of KSEK 11,415 (12,462) are allocated between research and development costs and selling and administrative costs in the consolidated statement of comprehensive income.

Tangible fixed assets in the Group is mainly located in the Swedish parent company Powercell Sweden AB.

Note 17 Right-of-use-assets

Right-of-use assets	Premises	Machinery	Other	Total
Financial year 2023				
Opening balance	26,955	5,945	1,942	34,842
Additions	3,024	856	1,768	5,648
Prematurely terminated contracts	—	—	–2,273	–2,273
Depreciation	–5,103	–1,898	622	–6,379
Closing balance	**24,876**	**4,903**	**2,059**	**31,838**
At 31 December 2023				
Cost	47,700	14,388	3,462	65,550
Accumulated depreciation and write-downs	–22,824	–9,485	–1,403	–33,712
Carrying value	**24,876**	**4,903**	**2,059**	**31,838**
Financial year 2024				
Opening balance	24,876	4,903	2,059	31,838
Additions	1,655	—	1,789	3,444
Prematurely terminated contracts	—	–2 744	–1,625	–4,369
Depreciation	–5 442	1 200	–344	–4,586
Closing balance	**21,089**	**3,359**	**1,879**	**26,327**
At 31 December 2024				
Cost	49,355	11,644	3,626	64,625
Accumulated depreciation and write-downs	–28,266	–8,285	–1,747	–38,298
Carrying value	**21,089**	**3,359**	**1,879**	**26,327**

Lease liabilities	**31 Dec 2024**	**31 Dec 2023**
Long-term lease liabilities	17,173	21,521
Short-term lease liabilities	6,646	6,614
Total lease liabilities	**23,819**	**28,135**

Disclosures

- Interest expenses of KSEK 867 is presented as part of the financial expenses.
- Expenses attributable to short-term lease agreements, which are included in operating costs amount to KSEK 929.
- Expenses attributable to lease agreements for which the underlying asset is of low value and not short-term lease agreements are included in operating costs and amount to KSEK 408.
- Expenses attributable to variable lease payments not included in the lease liabilities amount to KSEK 168, which are included in operating costs.
- The total cash flow related to lease agreements in 2024 was KSEK –9,524, including recognized agreements of a shorter nature and of lower value.
- Maturity analysis of lease liabilities, see Note 3.

Note 18 Intangible assets

	Product develop-ment	Software	Total
Financial year 2023			
Opening carrying value	—	8,173	8,173
Purchase	16,490	257	16,747
Depreciation	—	–2,434	–2,434
Closing carrying value	**16,490**	**5,996**	**22,486**
At 31 December 2023			
Cost	16,490	11,804	28,294
Accumulated depreciation, amortization and impairments	—	–5,808	–5,808
Carrying value	**16,490**	**5,996**	**22,486**
Financial year 2024			
Opening carrying value	16,490	5,996	22,486
Purchase	40,326	—	40,326
Reclassifications	—	2,967	2,967
Depreciation	–241	–2,769	–3,010
Closing carrying value	**56,575**	**6,194**	**62,769**
At 31 December 2024			
Cost	56,816	14,772	71,588
Accumulated depreciation, amortization and impairments	–241	–8,578	–8,819
Carrying value	**56,575**	**6,194**	**62,769**

Depreciation of KSEK 3,010 (2,434) are allocated between research and product development costs and selling and administrative costs in the consolidated statement of comprehensive income.

The capitalized product development costs can be found in the group.

The capitalized product development costs are tested for impairment at the balance sheet date and the assessment is that the development projects follow the plan to create saleable products and that the market's demand for the products is in line with what the management previously assessed.

Note 19 Financial instruments per category

31 Dec 2023	Financial assets at amortized cost	Total
Assets in the balance sheet		
Trade receivables	72,013	72,013
Other current receivables*	7,782	7,782
Cash and cash equivalents	66,842	66,842
Total	**146,637**	**146,637**

31 Dec 2023	Financial liabilities at amortized cost	Total
Liabilities in the balance sheet		
Other non-current and current financial liabilities	30,000	30,000
Trade payables	35,198	35,198
Total	**65,198**	**65,198**

31 Dec 2024	Financial assets at amortized cost	Total
Assets in the balance sheet		
Trade receivables	35,349	35,349
Other current receivables*	21,917	21,917
Cash and cash equivalents	218,919	218,919
Total	**276,185**	**276,185**

31 Dec 2024	Financial liabilities at amortized cost	Total
Liabilities in the balance sheet		
Trade payables	73,312	73,312
Short-term loans	50,000	50,000
Total	**123,312**	**123,312**

* Part of the post does not refer to financial instruments.

No items are valued at fair value.

Note 20 Trade receivables

	31 Dec 2024	31 Dec 2023
Trade receivables	35,660	72,013
Provision for expected credit losses	–311	—
Trade receivables – net	**35,349**	**72,013**

Recognized amounts, per currency, for the Group's trade receivables and other receivables are:

	31 Dec 2024	31 Dec 2023
SEK	2,468	913
EUR	31,754	62,735
GBP	—	2,251
USD	1,127	6,114
Total	**35,349**	**72,013**

The maximum exposure to credit risk at the balance sheet date for trade receivables correspond to its carrying value, as the discount effect is insignificant.

No trade receivables have been pledged as assets for any liability.

Note 21 Inventories

	31 Dec 2024	31 Dec 2023
Raw materials and consumables	120,001	100,683
Products in progress	8,301	15,382
Inventories of finished goods	15,878	920
Total	**144,180**	**116,985**

The cost of inventories recognized is included in the item cost of goods sold in the consolidated statement of comprehensive income and amounts to KSEK 218,107 (186,275).

Note 22 Other current receivables

	31 Dec 2024	31 Dec 2023
Tax account	1,076	3,538
Blocked bank funds	18,539	3,967
Advance payments, suppliers	3,263	2,871
VAT receivable	2,999	4,690
Other	115	944
Total	**25,992**	**16,010**

Note 23 Prepaid costs and accrued income

	31 Dec 2024	31 Dec 2023
Prepaid rent	1,600	1,576
Accrued income, on-going grant projects	1,334	12,321
Other prepaid costs	3,859	2,271
Other accrued income	523	547
Total	**7,316**	**16,715**

Note 24 Cash and cash equivalents

	31 Dec 2024	31 Dec 2023
Bank deposits	218,919	66,842
Total	**218,919**	**66,842**

Note 25 Equity

	Number of shares	Share capital	Ongoing new share issue	Other contributed capital
As of 1 January 2023	**52,142,434**	**1,147**	**—**	**635,007**
As of 31 December 2023	**52,142,434**	**1,147**	**—**	**635,007**
New share issue	5,750,000	127	—	181,885
As of 31 December 2024	**57,892,434**	**1,274**	**—**	**816,892**

As of 31 December 2024 share capital consists of 57,892,434ordinary shares with a par value of SEK 0.022.

All shares issued by the Parent Company are fully paid.

The reserves consist entirely of a translation reserve. The translation reserve includes exchange rate differences that arise as a result of the income statement and balance sheet for all group companies being translated into the group's reporting currency.

Note 26 Deferred tax

Deferred tax debt consists entirely of deferred tax related to temporary differences in leases recognized in the balance sheet.

Reported deferred tax assets consist of future deductions for pension payments. Deferred tax assets are recognized for taxable carry-forwards or other deductions to the extent that it is probable that they can be offset against future taxable profits. No deferred tax asset concerning losses carried-forward is recognized, as the Parent Company is not deemed to meet the criteria to recognize deferred tax in accordance with IAS 12. Unutilized losses carried-forward in Parent Company for which no deferred tax asset has been recognized amount to KSEK 529,734 on 31 December 2024 (446,804). The losses carried-forward do not fall due at any point in time.

Note 27 Borrowings

	31 Dec 2024	31 Dec 2023
Non-current		
The Swedish Energy Agency	—	30,000
Lease liabilities	17,173	21,521
Total	**17,173**	**51,521**
Current		
Lease liabilities	6,646	6,614
New borrowings Nordea Bank Abp	50,000	
Total	**56,646**	**6,614**
Total borrowings	**73,819**	**58,135**

The loan from the Swedish Energy Agency was forgiven for PowerCell in May 2024. The term period for the Nordea loan is 2024-06-27 to 2025-06-27.

	Carrying value	
	31 Dec 2024	31 Dec 2023
The Swedish Energy Agency	—	30,000
Short-term loans	50,000	—
Lease liabilities	23,820	28,135
Total	**73,820**	**58,135**

note 27 cont.

Note 28 Contractual assets and contractual liabilities

	31 Dec 2024	31 Dec 2023
Contractual assets	113,484	46,594
Contractual liabilities	–5,106	–1,789
Total	**108,378**	**44,805**

Contractual liabilities consist entirely of payments in advances from customers and these have increased by 185%. The increase is mainly due to the fact that the projects have not progressed as far and that there have been more projects. Contractual assets have increased by 144% and refer to project that are reported in accordance with the principles for revenue recognition and where the Group has a conditional right to payment and these have increased in size, see Note 2 and 4.

Remaining unfulfilled agreements
The total amount of the transaction price allocated to agreements that are unfulfilled or partly unfulfilled as of 31 December 2024 is KSEK 133,847. Of these, management makes the assessment that 83% will be fulfilled during the next year. Of the contractual liabilities at 31 December 2023 has 94% been fulfilled during 2024.

Note 29 Accrued costs and prepaid income

	31 Dec 2024	31 Dec 2023
Accrued vacation pay liability	10,209	7,740
Accrued social costs	6,312	6,315
Accrued salaries	7,763	11,766
Other prepaid income	36,363	12,606
Other items	19,319	3,428
Total	**79,966**	**41,855**

Note 30 Provisions

	31 Dec 2024	31 Dec 2023
Warranty provision	5,890	3,571
Total	**5,890**	**3,571**

The warranty provision includes the estimated costs related to repairing any defective products within the warranty period. The warranty period is usually one year.

Note 31 Contingent liabilities and pledged collateral

The Group has no contingent liabilities.

	31 Dec 2024	31 Dec 2023
Pledged collateral		
Business mortgage	50,000	—
Blocked bank funds	18 539	3,967
Total	**68,539**	**3,967**

Note 32 Earnings per share

SEK	2024	2023
Earnings per share, basic	–1.52	–1.57
Earnings per share, diluted	–1.52	–1.57

Performance measures used in the calculation of earnings per share

Operating income attributable to the shareholders of the Parent Company used at the calculation of earnings per share, basic and diluted		
Profit (loss) attributable to Parent Company shareholders, KSEK	–87,903	–82,099

Number

Weighted average number of ordinary shares at the calculation of earnings per share, basic	57,892 434	52,142,434
Adjustment for the calculation of earnings per share, diluted*	57,892 434	52,142,434

* No dilution effect for potential ordinary shares s calculated when Group reports negative earnings per share for both the financial year and the comparison year.

The Company has a performance based long-term incentive program for certain senior executives and key employees , decided by the AGM in 2021 which ends 2025. The maximum dilution from this program amounts to 0.97 percent.

Note 33 Related party transactions

No significant transactions took place with related parties during the period, except remuneration to the Board and senior executives, see Note 9 and 15.

Note 34 Changes in liabilities attributable to financing activities

	2023-01-01	Cash inflow	Cash outflow	Non-cash items	2023-12-31
Liability Swedish Energy Agency	30,000	—	—	—	30,000
Liability regarding leasing	31,465	—	–8,780	5,450	28,135
Total	**61,465**	**—**	**–8,780**	**5,450**	**58,135**

	2024-01-01	Cash inflow	Cash outflow	Non-cash items	**2024-12-31**
Liability Swedish Energy Agency	30,000	—	—	–30,000	—
Liability regarding leasing	28,135	—	–7,321	3,005	23,819
Liability regarding short-term loans	—	50,000	—	—	50,000
Total	**58,135**	**50,000**	**–7,321**	**–26,995**	**73,819**

Note 35 Adjustments for non-cash items

	31 Dec 2024	31 Dec 2023
Depreciation	22,857	23,837
Warranty provision	2,319	425
Share-based benefits	3,859	5,285
Inventory obsolescence	–653	–7,305
Loan from the Swedish Energy Agency converted into a grant	–30,000	—
Provision for doubtful debts	311	—
Other	3,491	112
Total	**2,184**	**22,354**

Note 36 Events after the end of the reporting period

PowerCell has secured a breakthrough order worth SEK 150 million from a leading European shipyard for its M2Power 250 system, the first commercial sale of its methanol-to-power technology launched in Q3 2024. The order includes a 2 MW installation and marks a key step in PowerCell's role in the maritime energy transition.

Parent company income statement

Amounts in KSEK	Note	**2024**	2023
Net sales	2	334,278	310,287
Cost of goods sold	3	–218,107	–186,274
Gross profit		**116,171**	**124,013**
Sales and administration costs	3, 7	–114,314	–102,806
Research and development costs	3, 7	–150,555	–131,751
Other operating income	4	48,818	54,987
Other operating costs	3, 5	–24,606	–24,911
Operating profit (loss) before items affecting comparability		**–124,486**	**–80,468**
Items affecting comparability	3, 8	30,000	–6,057
Operating profit (loss)		**–94,486**	**–86,525**
Profit (loss) from financial items			
Profit from participations in group companies		–711	–6,203
Interest income and similar items		8,962	21,507
Interest costs and similar items		–1,802	–10,971
Profit (loss) after financial items		**–88,037**	**–82,192**
Income tax	9, 13	134	93
Profit (loss) for the year		**–87,903**	**–82,099**

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

Parent company balance sheet

Amounts in KSEK	Note	**2024-12-31**	2023-12-31
ASSETS			
Non-current assets			
Intangible assets			
Software	12	6,194	5,996
Total intangible assets		**6,194**	**5,996**
Property, plant and equipment			
Machinery and other technical facilities	11	23,650	28,648
Equipment, tools, fixtures and fittings	11	1,790	4,728
Total property, plant and equipment		**25,440**	**33,376**
Deferred tax assets			
Deferred tax assets	9, 13	414	279
Total financial assets		**414**	**279**
Financial assets			
Participations in subsidiaries	10	1,015	1,015
Total financial assets		1,015	**1,015**
Total non-current assets		**33,063**	**40,666**

Parent company balance sheet (cont.)

Amounts in KSEK	Note	2024-12-31	2023-12-31
Current assets			
Inventories			
Raw materials and consumables	16	120,001	100,683
Products in progress	16	8,301	15,382
Inventories of finished goods	16	15,878	920
Total inventories		**144,180**	**116,985**
Current receivables			
Trade receivables	15	35,349	72,013
Receivables from Group companies	26	2,656	438
Current tax asset		2,252	1,976
Contractual assets	20	113,482	46,580
Other current receivables	17, 31	25,909	15,883
Prepaid costs and accrued income	18	7,801	17,515
Total current receivables		**187,449**	**154,405**
Cash and bank	14, 31	214,454	64,011
Total current assets		**546,083**	**335,401**
TOTAL ASSETS		**579,146**	**376,067**

Amounts in KSEK	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		1,274	1,147
Total restricted equity		**1,274**	**1,147**
Non-restricted equity			
Share premium reserve		737,392	555,507
Retained earnings		–296,525	–218,285
Profit (loss) for the year		–87,903	–82,099
Total non-restricted equity		**352,964**	**255,123**
Total equity		**354,238**	**256,270**
Non-current liabilities			
Other non-current financial liabilities	19, 27	—	30,000
Total non-current liabilities		**—**	**30,000**
Current liabilities			
Trade payables		73,011	35,162
Other current liabilities		9,940	7,293
Contractual liabilities	20	5,106	1,789
Provisions	23	5,890	3,571
Liabilities to Group companies	26	1,404	634
Short-term loans	19	50,000	
Accrued costs and prepaid income	21	79,557	41,348
Total current liabilities		**224,908**	**89,797**
Total liabilities		**224,908**	**119,797**
TOTAL EQUITY AND LIABILITIES		**579,146**	**376,067**

Parent Company statement of changes in equity

		Restricted equity	Non-restricted equity			
Amounts in KSEK	Note	Share capital	Share premium reserve	Retained earnings	Profit (loss) for the year	Total equity
Opening balance at 1 January 2023	25	**1,147**	**555,507**	**–223,571**	**—**	**333,083**
Profit (loss) for the year and comprehensive income		—	—	—	–82,099	–82,099
Total comprehensive income		**—**	**—**	**—**	**–82,099**	**–82,099**
Transactions with shareholders in their role as owners		—	—	5,286	—	5,286
Share-based benefits	7	**1,147**	**555,507**	**–218,285**	**–82,099**	**256,270**
Closing at 31 December 2023	25	**1,147**	**555,507**	**–218,285**	**–82,099**	**256,270**
Opening balance at 1 January 2024	25	**1,147**	**555,507**	**–300,384**	**—**	**256,270**
Profit (loss) for the year and comprehensive income		—	—	—	–87,903	–87,903
Total comprehensive income		**—**	**—**	**—**	**–87,903**	**–87,903**
Transactions with shareholders in their role as owners						
New share issue		127	181,885	—	—	182,012
Share-based benefits	7	—	—	3,859	—	3,859
Closing at 31 December 2024	25	**1,274**	**737,392**	**–296,525**	**–87,903**	**354,238**

Parent Company cash flow statement

Amounts in KSEK	Note	**2024**	2023
Cash flow from operating activities			
Operating profit (loss)		–94,486	–86,525
Adjustment for non-cash items	28	–6,249	13,785
Interest received		–88	3,679
Tax paid		–368	–63
Cash flow from operating activities before changes in working capital		**–101,191**	**–69,124**
Cash flow from changes in working capital			
Changes in inventories		–26,542	–34,196
Changes in current receivables		–23,119	–26,609
Changes in current liabilities		83,160	10,802
Total changes in working capital		**33,499**	**–50,003**
Cash flow from operating activities		**–67,692**	**–119,127**
Cash flow from investing activities			
Shareholder contributions to group companies		—	–647
Acquisitions of tangible and intangible assets		–6,467	–11,895
Sale of tangible and intangible fixed assets		161	132
Cash flow from investing activities		**–6,306**	**–12,410**
Cash flow from financing activities			
Short-term borrowings		50,000	—
New share issue		182,012	—
Cash flow from financing activities		**232,012**	**—**
Decrease/increase of Cash and bank balances		**158,014**	**–131,537**
Exchange rate differences in Cash and bank balances		7,001	6,622
Opening Cash and bank balances		67,978	192,893
Closing Cash and bank balances*	14, 31	**232,993**	**67,978**

* Cash equivalents include bank funds as well as blocked bank funds.

Notes to the parent company statements

Note 1 Parent Company accounting principles

The most significant accounting policies applied in the preparation of these annual accounts are presented below. The policies have been applied consistently for all year presented, unless otherwise stated.

The annual accounts for the Parent Company have been prepared in accordance with RFR 2 Accounting for legal entities and the Swedish Annual Accounts Act. In the cases where the Parent Company applies other accounting policies than the Group, as described in Note 2 in the consolidated accounts, these are presented below.

The annual report was prepared in accordance with the cost method.

The preparation of annual accounts in accordance with RFR 2 requires that qualified estimates and assessments be used for accounting purposes. Furthermore, company management exercises its judgement in the application of the Parent Company's accounting policies. Areas that comprise a high level of assessments, that are complex, or areas where estimates and assessments are significant for the annual report are presented in Note 4 of the consolidated financial statements.

Through its operations, the Parent Company is exposed to a number of different financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The general risk management policy of the Parent Company is focused on the unpredictability of the financial markets, and strives to minimize potential unfavorable effects on the Group's financial performance. See Note 3 in the consolidated financial statements for more information on financial risks.

The Parent Company applies other accounting policies than the Group in accordance with the following:

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

Formats

The income statement and balance sheet are in accordance with the format of the Annual Accounts Act. Statement of changes in equity is in accordance with the Group's format, but should contain the columns stipulated in the Annual Accounts Act. Further, this entails differences in terms, mainly regarding financial income and costs and equity.

Participations in subsidiaries and associated companies

Participations in subsidiaries and associated companies are recognized at cost, adjusted for any impairment. In cost are included acquisition related costs and any additional purchase price.

Whenever there is an indication that participations in subsidiaries or associated companies has decreased in value, a calculation of the recoverable amount is performed. If this is lower than the carrying value, an impairment is made. Impairment of participations in subsidiaries are recognized in the item "Performance from participation in Group companies" and participations in associated companies are recognizes as a cost under Profit (loss) from financial items.

Financial instruments

IFRS 9 is not applied in the Parent Company. Instead, the Parent Company applies the points in RFR 2 (IFRS 9 Financial instruments, pages. 3–10). Financial instruments are valued at cost. In subsequent periods, financial assets acquired as short-term investments will be recognized in accordance in accordance with the principle of the lowest value, to the lowest of cost and market value.

At the calculation of the net sales value of receivables reported as current assets, the principles for impairment tests and provisions for bad debts in IFRS 9 should be applied. For an asset recognized at amortized cost at consolidated level, this implies that the provision for bad debts recognized in the consolidated financial statements should also be recognized in the Parent Company.

Operational leases

All leases are recognized as operational leases.

Note 2 Net sales

The Parent Company has recognized the following amounts, attributable to revenue, in the income statement:

	2024	2023
Hardware	71,278	92,267
Services	36,901	65,499
Royalty fees	37,787	18,993
Project according to Percentage of Completion	188,312	133,528
Total	**334,278**	**310,287**

Net sales per geographical market:	**2024**	2023
Sweden	3,031	6,111
Germany	71,429	55,876
UK	12,047	83,694
US	21,204	38,514
Norway	100,575	93,687
Italy	87,284	—
Other	38,708	32,405
Total	**334,278**	**310,287**

The Parent Company has for 2024 three external customers, which share of total revenues exceed 10% individually. Revenue for each customer is approximately KSEK 99,716, KSEK 83,788 respectively KSEK 37,823.

The Parent Company has for 2023 two external customers, which share of total revenues exceed 10% individually. Revenue for each customer is approximately KSEK 91,581 respectively KSEK 62,736.

Note 3 Costs by nature

	2024	2023
Raw materials and consumables	218,107	186,274
Other external costs	120,189	116,862
Expected credit losses	311	—
Personnel costs	130,164	108,241
Depreciation of tangible assets	11,435	13,077
Depreciation of intangible assets	2,769	2,434
Other operating costs	24,606	24,911
Total	**507,581**	**451,799**

Note 4 Other operating income

	2024	2023
Contributions attributable to the financing of projects and government grants	30,735	30,607
Exchange rate differences	16,913	23,908
Profit on disposal of fixed assets	161	132
Other items	1,009	340
Total	**48,818**	**54,987**

Note 5 Other operating costs

	2024	2023
Exchange rate differences	24,606	24,911
Total	**24,606**	**24,911**

Note 6 Auditors' fees

	2024	2023
PricewaterhouseCoopers AB		
Audit assignment	1,441	905
Audit activities in addition to the audit assignment	242	207
Other services	92	408
Total	**1,775**	**1,520**

Note 7 Employee benefits, etc

	2024	2023
Salaries and other remuneration	98,280	84,530
Share-based benefits	3,859	5,286
Social security contributions	29,890	24,554
Pension costs – defined contribution plans	13,279	10,656
Total employee benefits	**145,308**	**125,026**

Salaries and other remuneration and social security contributions

	2024		2023	
	Salaries and other remuneration (of which bonuses)	Social security contributions (of which pension costs)	Salaries and other remuneration (of which bonuses)	Social security contributions (of which pension costs)
Directors of the Board, presidents and other senior executives	25,032 (1,341)	13,280 (6,294)	24,068 (3,089)	9,754 (4,158)
Other employees	77,107 (1,811)	29,889 (6,986)	65,748 (4,192)	25,456 (6,498)
Parent Company total	**102,139**	**43,169**	**89,816**	**35,210**

Average number of employees

	2024		2023	
	Average number	Of which men	Average number	Of which men
Parent Company total	**125**	**95**	**106**	**79**

Gender breakdown in the Parent Company for Directors of the Board and other senior executives

	2024		2023	
	Average number	Of which men	Average number	Of which men
Directors	7	4	7	4
CEO and other senior executives	11	8	9	7
Parent Company total	**18**	**12**	**16**	**11**

Remuneration to senior executives

Remuneration to senior executives	2024	2023
Salaries and other current remuneration	25,032	24,068
Pension costs	6,294	4,158
Total remuneration to senior executives	**31,326**	**28,226**

For further information on director's fees and other remunerations for the board, CEO and other senior executives see Note 9 in the consolidated financial statements.

Note 8 Items affecting comparability

	2024	2023
Costs related to re-listing Nasdaq Stockholm	—	–6,057
Government loan converted into a grant	30,000	—
Total	**30,000**	**–6,057**

Items affecting comparability refer to significant income or expense items that are reported separately due to the significance of their nature or amount. The transactions must not be close to the day-to-day operations.

Note 9 Tax on profit (loss) for the year

Tax recognized in the income statement	**2024**	2023
Current tax		
Tax on profit for the year	—	—
Total current tax	**—**	**—**
Deferred tax		
Occurrence and reversal of temporary differences	134	93
Total deferred tax	**134**	**93**
Total income tax	**134**	**93**

Income tax on profit/loss before tax differs from the theoretical amount that would have appeared at the use of the tax rate for the Parent Company according to the following:

	2024	2023
Profit (loss) before tax	**–88,037**	**–82,192**
Income tax calculated according to the Swedish tax rate 20.6% (20.6%)	18,136	16,932
Tax effects from:		
Non-deductible costs	–1,525	–2,151
Losses carried-forward, for which no deferred tax asset is recognized	–16,611	–14,781
Changes in deferred tax	134	93
Income tax	**134**	**93**

Note 10 Participations in subsidiaries

	31 Dec 2024	31 Dec 2023
Opening cost	1,015	1,890
Shareholder contribution Powercell China LTD	—	647
Write-down of Powercell China LTD	—	–1,522
Closing carrying value	**1,015**	**1,015**

Name	Corp. Id. No	Domicile and country of registration and operations	Number of shares	Carrying amount 31 Dec 2024	Carrying amount 31 Dec 2023
Powercell Deutschland GmbH	HBR 28770	Frankfurt am Main	—	934	934
Powercell Warrants One AB	559110-7437	Göteborg	50,000	50	50
Powercell China LTD	91310115MA 1K4F2020	Shanghai	—	—	—
Powercell Norway AS	928 054 470	Oslo	30,000	31	31
Powercell Inc.	93-3738003 (EIN)	New York	—	—	—

Note 11 Property, plant and equipment

	Machinery and other technical facilities	Equipment, tools, fixtures and fittings	Total
Financial year 2023			
Opening carrying value	31,066	3,748	34,814
Purchases	9,135	2,503	11,638
Sales and disposals	–446	–170	–616
Depreciation	–11,107	–1,353	–12,460
Closing carrying value	**28,648**	**4,728**	**33,376**
At 31 December 2023			
Cost	116,074	11,015	127,089
Accumulated depreciation	–87,426	–6,287	–93,713
Carrying value	**28,648**	**4,728**	**33,376**
Financial year 2024			
Opening carrying value	28,648	4,728	33,376
Purchases	3,025	3,442	6,467
Reclassifications	2,151	–5,139	–2,988
Depreciation	–10,174	–1,241	–11,415
Closing carrying value	**23,650**	**1,790**	**25,440**
At 31 December 2024			
Cost	121,250	9,339	130,589
Accumulated depreciation	–97,600	–7,549	–105,149
Carrying value	**23,650**	**1,790**	**25,440**

Depreciation of KSEK 11,415 (12,460) is allocated between research and development costs and selling and administrative costs in the Parent company's income statement.

Note 12 Intangible assets

	Software	Total
Financial year 2023		
Opening carrying value	8,173	8,173
Purchase	257	257
Depreciation	–2,434	–2,434
Closing carrying value	**5,996**	**5,996**
At 31 December 2023		
Cost	11,805	11,805
Accumulated depreciation	–5,809	–5,809
Carrying value	**5,996**	**5,996**
Financial year 2024		
Opening carrying value	5,996	5,996
Reclassifications	2,967	2,967
Depreciation	–2,769	–2,769
Closing carrying value	**6,194**	**6,194**
At 31 December 2024		
Cost	14,772	14,772
Accumulated depreciation	–8,578	–8,578
Carrying value	**6,194**	**6,194**

Depreciation of KSEK 2,769 (2,434) is allocated between research and development costs and selling and administrative costs in the Parent company's income statement.

Note 13 Deferred tax

Reported deferred tax assets consist of future deductions for pension payments. Deferred tax assets are recognized for taxable carry-forwards or other deductions to the extent that it is probable that they can be offset against future taxable profits. No deferred tax asset concerning losses carried-forward is recognized, as the Parent Company is not deemed to meet the criteria to recognize deferred tax in accordance with IAS 12. Unutilized losses carried-forward in Parent Company for which no deferred tax asset has been recognized amount to KSEK 529,734 on 31 December 2024 (446,804). The losses carried-forward do not fall due at any point in time.

Note 14 Cash and bank

In the balance sheet and the statement of cash flows, the following items are included in the item cash and bank balances.

	31 Dec 2024	31 Dec 2023
Bank deposits	214,454	64,011
Total	**214,454**	**64,011**

Note 15 Trade receivables

	31 Dec 2024	31 Dec 2023
Trade receivables	35,660	72,013
Provision for expected credit losses	–311	—
Trade receivables – net	**35,349**	**72,013**

Recognized amounts, per currency, for the Parent Company's trade receivables and other receivables are:

	31 Dec 2024	31 Dec 2023
SEK	2,468	913
EUR	31,754	62,735
GBP	—	2,251
USD	1,127	6,114
Total	**35,349**	**72,013**

The maximum exposure to credit risk at the balance sheet date for trade receivables and other current receivables is the carrying value according to the above.

The fair value of the trade receivables correspond to its carrying value, as the discount effect is insignificant.

No trade receivables have been pledged as assets for any liability.

Note 16 Inventories

	31 Dec 2024	31 Dec 2023
Raw materials and consumables	120,001	100,683
Products in progress	8,301	15,382
Inventories of finished goods	15,878	920
Total	**144,180**	**116,985**

The cost of inventories recognized is included in the item Cost of goods sold in the income statement and amounts to KSEK 218,107 (186,275).

Note 17 Other current receivables

	31 Dec 2024	31 Dec 2023
Tax account	1,076	3,538
Blocked bank funds	18,539	3,967
Prepayment suppliers	3,263	2,871
VAT receivable	2,933	4,643
Other	98	864
Total	**25,909**	**15,883**

Note 18 Prepaid costs and accrued income

	31 Dec 2024	31 Dec 2023
Prepaid rent	1,600	1,576
Accrued income, on-going grant projects	1,326	12,313
Other prepaid costs	4,352	3,079
Other accrued income	523	547
Total	**7,801**	**17,515**

Note 19 Borrowings

See note 27 in the Group for information on the parent company's other long-term and short-term liabilities

Note 20 Contractual assets and contractual liabilities

	31 Dec 2024	31 Dec 2023
Contractual assets	113,482	46,580
Contractual liabilities	–5,106	–1,789
Total	**108,376**	**44,791**

Contractual liabilities consist entirely of payments in advances from customers and these have increased by 185%. The increase is mainly due to the fact that the projects have not progressed as far and that there have been more projects. Contractual assets have increased by 144% and refer to project that are reported in accordance with the principles for revenue recognition and where the Group has a conditional right to payment and these have increased in size, see Note 2 and 4.

Remaining unfulfilled agreements

The total amount of the transaction price allocated to agreements that are unfulfilled or partly unfulfilled as of 31 December 2024 is KSEK 133,847. Of these, management makes the assessment that 83% will be fulfilled during the next year. Of the contractual liabilities at 31 December 2023 has 94% been fulfilled during 2024.

Note 21 Accrued expenses and deferred income

	31 Dec 2024	31 Dec 2023
Accrued vacation pay liability	10,094	7,591
Accrued social costs	6,140	6,163
Accrued salaries	7,712	11,604
Other prepaid income	36,363	12,606
Other items	19,248	3,383
Total	**79,557**	**41,348**

Note 22 Operational leases

Obligations regarding operational leases
The Parent Company rents, in all significant aspects, in accordance with non-cancellable operational leasing agreements. Lease terms vary between 3 and 10 years, and most leasing agreements can be extended at a fee corresponding to a market fee.

Lease costs amounting to KSEK 8,019 (9,514) regarding the lease of machinery, cars and rented premises is included in the income statement for the financial year 2024.

Future total minimum leasing fees for non-cancellable operational leases are according to the following:

	2024	2023
Within 1 year	6,625	6,595
Between 1 and 5 years	17,133	21,470
Later than 5 years	—	—
Total	**23,758**	**28,065**

Note 23 Provisions

	31 Dec 2024	31 Dec 2023
Warranty provisions	5,890	3,571
Total short term provisions	**5,890**	**3,571**

The warranty provision includes the estimated costs related to repairing any defective products within the warranty period. The warranty period is usually one year.

Note 24 Share-based payments

See Note 9 in the consolidated financial statements for information about the Parent Company's share-based payments.

Note 25 Share capital

See Note 25 in the consolidated financial statements for information about the Parent Company's share capital.

Note 26 Related party transactions

Since 18 December 2023, Powercell Sweden AB (publ) is listed on Nasdaq Stockholm. Principal shareholder at 31 December 2024 is Robert Bosch GmbH whose participating interest is 11.2%.

During last quarter 2021 a long term incentive program including management and key employees have been implemented, see Note 9 for the Group.

The following related party transactions have been performed:

	2024	2023
(a) Sales of goods / services	—	—
Total	—	—
(b) Purchase of goods / services		
Powercell Norway AS	2,452	2,179
Powercell Deutschland GmbH	2,738	2,787
Powercell Inc.	6,058	—
Total	**11,248**	**4,966**

Receivables at year-end resulting from sales and purchases of goods and services

	31 Dec 2024	31 Dec 2023
Receivables from related parties:		
Powercell Warrants One AB	438	438
Powercell Inc.	2,218	—
Total	**2,656**	**438**

	31 Dec 2024	31 Dec 2023
Liabilities to related parties:		
Powercell Norway AS	214	241
Powercell Deutschland GmbH	530	393
Powercell Inc.	660	—
Total	**1,404**	**634**

Note 27 Changes in liabilities attributable to financing activities

	2023-01-01	Cash inflow	Cash outflow	Non-cash items	2023-12-31
The Swedish Energy Agency	30,000	—	—	—	30,000
Total	**30,000**	**—**	**—**	**—**	**30,000**

	2024-01-01	Cash inflow	Cash outflow	Non-cash items	**2024-12-31**
The Swedish Energy Agency	30,000	—	—	–30,000	—
Liability regarding short-term loan	—	50,000	—	—	50,000
Total	**30,000**	**50,000**	**—**	**–30,000**	**50,000**

Not 28 Adjustments for non-cash items

	31 Dec 2024	31 Dec 2023
Depreciation	14,204	15,511
Warranty provision	2,319	425
Share-based benefits	3,859	5,286
Inventory obsolescence	–653	–7,305
Loan from the Swedish Energy Agency converted into a grant	–30,000	—
Provision for doubtful debts	311	—
Other	3,711	–132
Total	**–6,249**	**13,785**

Note 29 Events after the end of the reporting period

PowerCell has secured a breakthrough order worth SEK 150 million from a leading European shipyard for its M2Power 250 system, the first commercial sale of its methanol-to-power technology launched in Q3 2024. The order includes a 2 MW installation and marks a key step in PowerCell's role in the maritime energy transition.

Note 30 Proposed allocation of earnings

Earnings at the disposal of the AGM:

Share premium reserve	737,392,233
Retained earnings	–296,524,883
Profit (loss) for the year	–87,903,037
SEK	**352,964,313**

The Board proposes that the profit is allocated to be carried forward	352,964,313
SEK	**352,964,313**

Note 31 Contingent liabilities and pledged collateral

The company has no contingent liabilities.

	31 Dec 2024	31 Dec 2023
Pledged collateral		
Business mortgage	50,000	—
Blocked bank funds	18,539	3,967
Total	**68,539**	**3,967**

Definition of key financial indicators
In this financial report, there are references to several performance measures. Some of the measures are defined in IFRS, others are alternative performance measures and are not disclosed in accordance with applicable financial reporting frameworks or other legislations. The performance measures are used by the Group to assist both investors and management in analysing PowerCell's business. Below the performance measures found in this financial report are described and defined. The reason for the use of the performance measure is also disclosed.

Equity/assets ratio, %
Equity in relation to total assets. The ratio can help investors understand how much of the company's assets are funded by issuing stock rather than borrowing money and may indicate how financially stable the company may be in the long run.

Earnings per share
Net income is divided by the weighted average number of outstanding shares.

Gross margin, %
Net revenue less cost of goods sold through net revenue. Gross margin may help investors in understanding how much revenue the company retains which can be used to pay other costs.

The Group's income statements and balance sheets will be presented to the AGM on 29 April, 2025 for adoption.

The Board of Directors and the CEO hereby certify that the that the consolidated financial statements are prepared in accordance with the international accounting standards IFRS, as endorsed by the EU and give a true and fair view of the Group's financial position and results. The annual accounts have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and give a true and fair view of the Parent Company's financial position and results.

The Administration Report for the Group and Parent Company gives a true and fair view of the Group's and the Parent Company's operations, and present significant risk and uncertainties that the Group faces.

31 March 2025

Richard Berkling
CEO

Magnus Jonsson
Chairman of the Board

Nicolas Boutin
Board member

Karin Ryttberg-Wallgren
Board member

Riku-Pekka Hägg
Board member

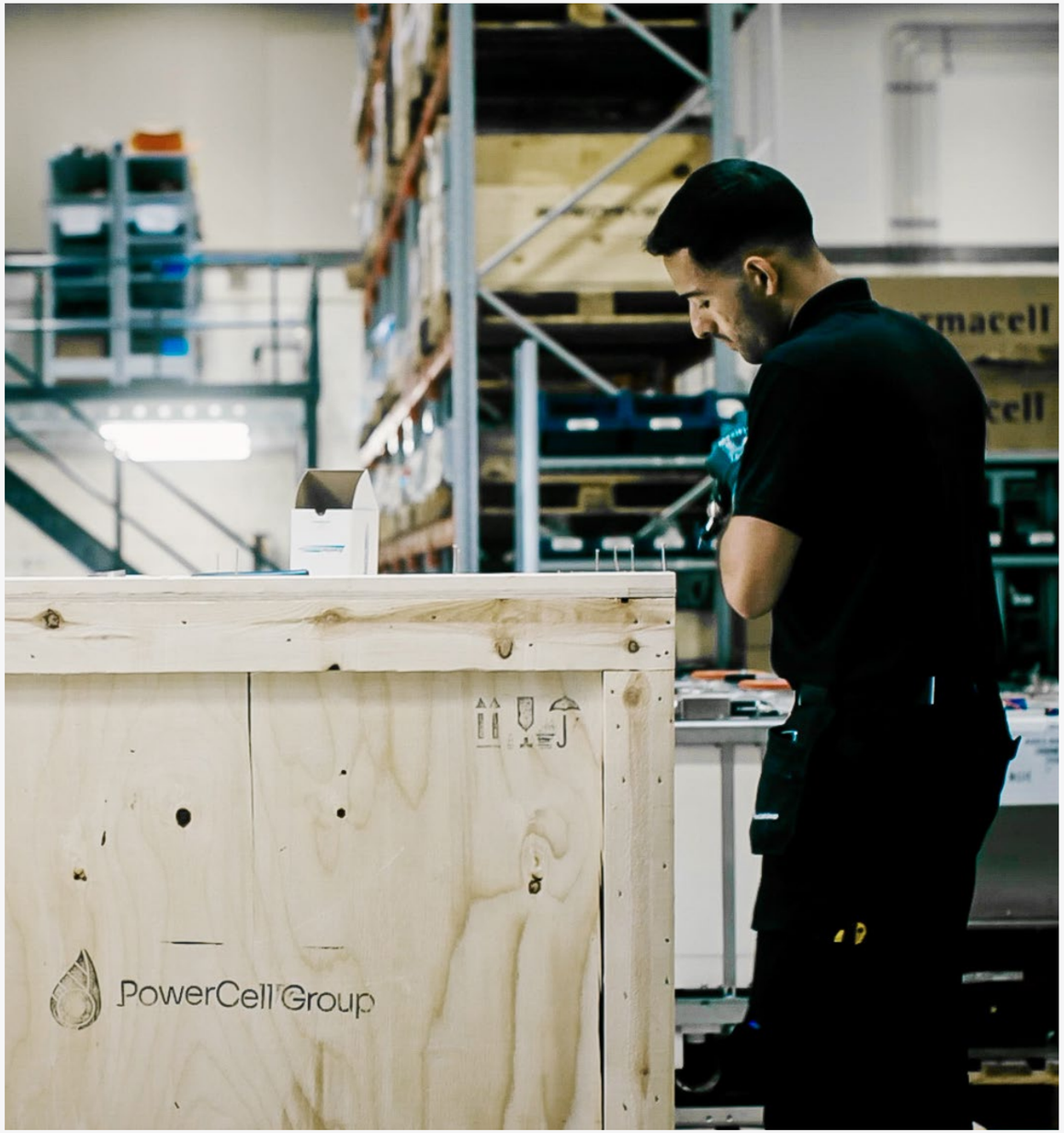
Uwe Hillmann
Board member

Helen Fasth Gillstedt
Board member

Annette Malm Justad
Board member

Our Auditor's Report was submitted 31 March 2025
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorized Public Accountant



Auditor's report

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the general meeting of the shareholders of Powercell Sweden AB (publ), corporate identity number 556759-8353

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Powercell Sweden AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 59–85 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates. We tailored the focus and scope of our audit, taking into account Powercell Sweden AB (publ)'s group structure and internal control environment, so that we perform sufficient audit efforts to be able to issue an audit report on the annual report and the consolidated accounts as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgements, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matter

Percentage of completion method

Revenue recognition and profit allocation occur in several customer projects over time according to the percentage of completion method, which is based on management's estimates and assessment of degree of completion, margin, risks and total remaining expenses. In cases where a project leads to a loss, the loss is reported as soon as it can be determined. Then reported revenues and results from projects that are reported according to successive profit settlement constitute significant items in both the profit and loss account and balance sheet for the group and based on the management's assessments it constitutes a significant area in our audit. The degree of completion and the profit settlement are normally determined based on accrued expenses on the balance sheet date in relation to calculated total assignment expenses. The risk in the financial reporting is that the reported income and profit statement do not represent Powercell's fulfillment of its performance obligations in the contracts and that the actual total assignment expenses deviate from the expected outcome. This can lead to profit settlement being based on an incorrect margin. This, in turn, can lead to incorrect accruals of reported income and costs over the project's term. Successive profit settlement of customer contracts affects, in addition to sales revenue and cost of goods sold, the balance sheet items contractual assets and contractual liabilities, accounts receivable, inventory, and, where applicable, provisions for loss contracts. Note 4 of the annual report describes the important estimates and judgments that the management needs to make in order to account for the projects that are reported according to the percentage of completion method. The accounting principles are described in more detail in note 2.4.

How our audit addressed the Key Audit Matter

Our audit has, among others, encompassed the following audit procedures:

- We have made a selection of projects where we have carried out substantive reviews. The selection is based on quantitative or qualitative factors where we selected customer contracts that are quantitatively significant based on contract value, revenue, profit settlement or the extent of risks in remaining processing.
- For selected customer contracts we have then created an understanding of the projects by, among other things, taking part in contract clauses, project plans, analyzes of the degree of completion, and forecasts of remaining costs and estimated margin.
- We have obtained information from the management to assess the status of the project implementation and the impact on the financial reporting. This includes total contract value, degree of completion, accruals and assessment of remaining costs and margin.
- We have reconciled management's assessments against underlying documentation and compared these with management's assessments from previous periods.
- We have reconciled financial information between different reports and systems and made control calculations.
- We have reviewed whether the accounting took place according to PowerCell's accounting principles with consistent application between different contracts.
- We have also reviewed the information provided in the financial reports.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–51, 56–58 and 88–93. The other information also consists of the 2024 Remuneration Report that we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Director's and the Managing Director

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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

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

Report on other requirements according to laws and other constitutions
The auditor's examination of the administration of the company and the proposed appropriations of the company´s profit or loss.
Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Powercell Sweden AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

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

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

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

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

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

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

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

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

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

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

The auditor´s examination of the Esef report
Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Powercell Sweden AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion
We have performed the review in accordance with FAR's recommendation RevR 18 Auditor's review of the ESEF report. Our responsibilities in accordance with this recommendation are further described in the Auditors' Responsibilities section. We are independent in relation to Powercell Sweden AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Director's and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of Powercell Sweden AB (publ) by the general meeting of the shareholders on the 25th of April 2024 and has been the company's auditor since the company was established in 2008. Powercell Sweden AB (publ) has been listed on the regulated market since December 2023.

Gothenburg, 31 March 2025
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorized Public Accountant

GRI content index

Statement of use	Powercell Sweden AB has reported in accordance with the GRI-standards for the time period 1 Januari 2024 –31 December 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

General disclosures

GRI-STANDARD	LOCATION, Page reference	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021				
2-1 Organizational details	45–46			
2-2 Entities included in the organization's sustainability reporting	45			
2-3 Reporting period, frequency and contact point	45			
2-4 Restatements of information	45			
2-5 External assurance	45			
2-6 Activities, value chain and other business relationships	42			
2-7 Employees	30–31			
2-8 Workers who are not employees	31			
2-9 Governance structure and composition	41, 52–56			
2-10 Nomination and selection of the highest governance body	52–53			
2-11 Chair of the highest governance body	56			
2-12 Role of the highest governance body in overseeing the management of impacts	41, 53			
2-13 Delegation of responsibility for managing impacts	41			
2-14 Role of the highest governance body in sustainability reporting	41			
2-15 Conflicts of interest	52–55			
2-16 Communication of critical concerns	41			
2-17 Collective knowledge of the highest governance body	41, 56			
2-18 Evaluation of the performance of the highest governance body	53			
2-19 Remuneration policies	53–54, 69–70			
2-20 Process to determine remuneration	53–54	Part b	Not applicable	No data available
2-21 Annual total compensation ratio	69			
2-22 Statement on sustainable development strategy	4–20			
2-23 Policy commitments	41			
2-24 Embedding policy commitments	41			
2-25 Processes to remediate negative impacts	41, 44, 46–49			
2-26 Mechanisms for seeking advice and raising concerns	41			
2-27 Compliance with laws and regulations	23, 27–29, 41			
2-28 Membership associations	34			
2-29 Approach to stakeholder engagement	44			
2-30 Collective bargaining agreements	29, 31			

Material topics

GRI-STANDARD	LOCATION, Page reference	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 3: Material Topics 2021				
3-1 Process to determine material topics	43			
3-2 List of material topics	43			
Robust and reliable products				
GRI 3: Material Topics 2021				
3-3 Management of material topics	27, 41, 44, 49			
GRI 416: Customer Health and Safety 2016				
416-1 Assessment of the health and safety impacts of product and service categories	27			
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	27			
GRI 417: Marketing and Labeling 2016				
417-1 Requirements for product and service information and labeling	27			
417-2 Incidents of non-compliance concerning product and service information and labeling	27			
417-3 Incidents of non-compliance concerning marketing communications	27			
Lower emissions from PowerCell's operations				
GRI 3: Material Topics 2021				
3-3 Management of material topics	23–26, 44, 46–47			
GRI 301: Materials 2016				
301-1 Materials used by weight or volume	25			
301-2 Recycled input materials used		Part a	Information unavailable	No available data. We are identifying how we can get accurate data and increase the input material.
301-3 Reclaimed products and their packaging materials		Part a, b	Not applicable	Not a significant disclosure 2024.
GRI 302: Energy 2016				
302-1 Energy consumption within the organization	25			
302-2 Energy consumption outside of the organization		Part a, b, c	Information unavailable	Energy consumption outside the organization has not been calculated, Activities outside of the organization have been used as input for scope 2–3 emissions.
302-3 Energy intensity	25			
302-4 Reduction of energy consumption	25			
302-5 Reductions in energy requirements of products and services	23, 25, 49			
GRI 303: Water and Effluents 2018				
303-1 Interactions with water as a shared resource	23, 47			
303-2 Management of water discharge-related impacts	23, 47			
303-3 Water withdrawal	25			
303-4 Water discharge	23, 25			
303-5 Water consumption	25			

GRI-STANDARD	LOCATION, Page reference	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 305: Emissions 2016				
305-1 Direct (Scope 1) GHG emissions	24, 49			
305-2 Energy indirect (Scope 2) GHG emissions	24, 49			
305-3 Other indirect (Scope 3) GHG emissions	24, 49			
305-4 GHG emissions intensity	24, 49			
305-5 Reduction of GHG emissions	24, 49			
305-6 Emissions of ozone-depleting substances (ODS)	23			
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	23			
Responsible sourcing				
GRI 204: Procurement Practices 2016				
204-1 Proportion of spending on local suppliers	42			
GRI 205: Anti-corruption 2016				
205-1 Operations assessed with respect to risks related to corruption	32, 33, 48	Part a	Information unavailable	Data has not been collected during 2024
205-2 Communication and education about anti-corruption policies and procedures	22, 32, 33	Part d–e	Information unavailable	Data has not been collected during 2024
205-3 Confirmed incidents of corruption and actions taken	33			
GRI 407: Freedom of association and collective bargaining 2016				
407-1 Businesses and suppliers where the right to freedom of association and collective bargaining may be at risk	32, 48			
GRI 408: Child labor 2016				
408-1 Businesses and suppliers with a significant risk of child labor incidents	32, 48			
GRI 409: Forced labor or forced labor in 2016				
409-1 Businesses and suppliers with a significant risk of incidents of forced labor or forced labor	32, 48			
GRI 308: Supplier Environmental assessment				
308-1 New suppliers screened with environmental criteria	22			
308-2 Negative environmental impact in the supply chain and measures taken	32			
Safe, stimulating workplaces				
GRI 3: Material Topics 2021				
3-3 Management of material topics	28–29, 41, 44, 47–49			
GRI 401: Employment 2016				
401-1 New employee hires and employee turnover	31			
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	29			
401-3 Parental leave	31			

GRI-STANDARD	LOCATION, Page reference	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 403: Occupational Health and Safety 2018				
403-1 Occupational health and safety management system	27–29			
403-2 Hazard identification, risk assessment, and incident investigation	28–29, 47			
403-3 Occupational health services	29			
403-4 Worker participation, consultation, and communication on occupational health and safety	28–29			
403-5 Worker training on occupational health and safety	28			
403-6 Promotion of worker health	29			
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	28–29			
403-8 Workers covered by an occupational health and safety management system	28			
403-9 Work-related injuries	30			
403-10 Work-related ill health	30			
GRI 404: Training and education				
404-2 Programs to develop employee skills and transition programs	28	Part b	Not applicable	Not relevant in 2024
404-3 Percentage of employees who have regular evaluation and development meetings	30			
GRI 405: Diversity and equal opportunities 2016				
405-1 Diversity of governance bodies and employees	30			
405-2 Ratio of basic salary and remuneration of women to men	30			
GRI 406: Non-discrimination 2016				
406-1 Incidents of discrimination and corrective actions taken	29			

GRI Disclosures reported but not part of PowerCell's material topics

GRI-STANDARD	LOCATION, Page reference	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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29 April 2025	Annual General Meeting
17 July 2025	Interim report second quarter
23 October 2025	Interim report third quarter
4 February 2026	Interim report fourth quarter and full year 2024

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