



Increased gross margin and strong cash flow

January - March 2024

- Net sales SEK 52.1m (50.5), growth of 3%
- Gross profit increased 28% to SEK 24.6m (19.1) and the gross margin improved to 47.2% (37.9)
- Operating income SEK -29.3m (-26.2)
- Income after tax SEK -25.1m (-24.2)
- Operating cash flow SEK 38.7m (11.6)
- Earnings per share (basic & diluted) SEK -0.66 (-0.45)

Significant events during the first quarter

- ColGar Energy, part of Vantastec Group, approved PowerCell's product design and placed an initial order of SEK 35m
- HyFlex™ - a flexible container solution – a collaboration together with Hitachi Energy demonstrated at Port of Gothenburg
- PowerCell joined the EU project H2Marine to further improve the existing fuel cell platform for marine applications

Key performance indicators

SEK million, unless other stated	Jan-Mar 2024	Jan-Mar 2023	2023
Net sales	52,1	50,5	310,3
Gross profit	24,6	19,1	124,0
Gross margin*, %	47,2	37,9	40,0
Operating income before items affecting comparability	-29,3	-26,2	-66,5
Operating income	-29,3	-26,2	-72,6
Net income	-25,1	-24,2	-63,0
Earnings per share (basic and diluted), SEK	-0,66	-0,45	-1,57
Equity asset ratio, %	58,9	64,9	64,8
Operating cash flow	38,7	11,6	-95,7



The CEO's comments

Strong cash flow and growing interest for commercial projects

The hydrogen-electric market is developing well and the interest for our emission-free fuel cell systems is increasing. As we gain more OEM customers and integrated installations of our industrialised fuel cell systems, deliveries increase more slowly in the transition phase from the previous project-driven market. In the quarter, we have focused on ramping up for coming serial deliveries and report a net sales increase of 3 percent. At the same time, we report a high gross margin in the first quarter of 47.2 percent (37.9) and high operating cash flow of SEK 38.7 million (11.6). With our leading position in significant market segments, efficient organisational structure and innovative capacity, we can continue growing in the attractive hydrogen market.

The hydrogen-electric market is driven by the megatrends of electrification and the transition to emission-free energy. We are in many discussions with customers about commercial applications, as well as in industries where hydrogen-electric solutions have not previously been discussed. In the aviation and marine industries, hydrogen-electric solutions are well-established and PowerCell has established itself as a leader in those sectors.

We have recently made commercial progress with for example ColGar Energy which has approved our product design. ColGar Energy will use our VS5 fuel cell system to generate auxiliary power for a 'Meals on Wheels' van fleet in Wales and we have received the first serial order worth about SEK 35 million. This deal is a significant step since it means that we are entering a new commercial segment with our emission-free solutions, which opens up new opportunities.

Unique flexible container solution

A few weeks ago, we announced a strategic partnership with Hitachi Energy, a global technology leader in sustainable energy. Together we have developed HyFlex™, which is a flexible container solution that can be used in a wide range of applications for emission-free power production, independent of the grid. During a demonstration at the Port of Gothenburg, HyFlex™ provided power to an electric excavator from Volvo Construction Equipment. Linde Gas, the world's largest industrial gas company, provided green hydrogen for the production. This shows the power of collaboration in the hydrogen-electric industry and with HyFlex™ diesel-driven generators can be replaced in many applications, such as construction sites, maritime and port electrification.

Established leader in aviation and marine

We are proud to have been selected to be part of the EU's H2Marine project in February this year. Through, for example, our contract with Norwegian SEAM and deliveries to Norwegian ferries, we have shown that we are a key player in enabling fuel cell technology to the marine industry. As part of this EU project, we can further improve our existing fuel cell platform for the marine segment.

Our strong position in the aviation industry was confirmed already a year ago when we were selected to be part of the EU Clean Aviation Joint Undertaking to develop environmentally sustainable aviation. As part of the project, a new 300 kW product platform will be developed. Today, PowerCell has over 20 customer projects in various phases within the aviation segment, which proves that we are the leader in this technically very demanding industry.

Focus on profitable growth

Even though we have a very strong interest in our products and the world urgently needs emission-free energy solutions, our industry is also affected by macroeconomic uncertainty. We note that it may take longer for our customers to come to a decision. Therefore, we focus on what we can control and work for continued effective ramp-up of volumes and good cash flows. By investing in innovation, we continuously strengthen our competitiveness. PowerCell also has an advantage by being efficiently structured and able to reach breakeven at lower volumes than others in our industry. In summary, we have a unique, strong position in a very attractive market and we are determined to continue our growth journey.

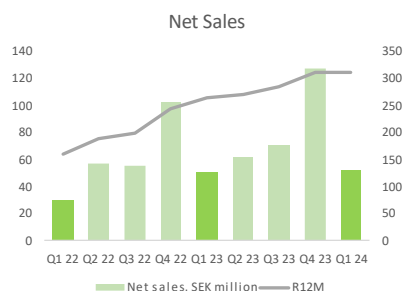
Richard Berkling
CEO





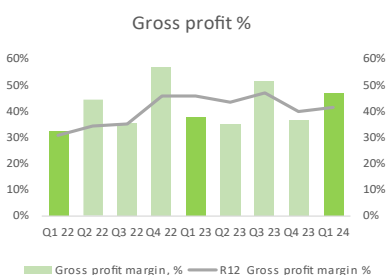
Financial performance January – March

Net sales



Net sales increased 3% in the quarter to SEK 52.1m (50.5), driven by strong growth from customers in the marine industry. Sales of projects, according to percentage of completion, amounted to SEK 28m and represented a major part of the product mix in the quarter. The increased sales of projects relate to higher activity in the projects that include material supply for fuel cell systems for the Norwegian ferries. Royalty fees from Robert Bosch GmbH amounted to SEK 2.8m (1.6).

Gross profit and operating income/loss



Gross profit increased 28% to SEK 24.6m (19.1) and the gross margin improved 9.3 percentage points to 47.2% (37.9). The increase is to a large extent due to exchange rate effects for projects reported according to percentage of completion.

Operating expenses increased 8% to SEK -51.9m (-48.2).

Other operating costs amounted to SEK -8.8m (-1.8) and relate mainly to exchange rate effects.

Other operating income amounted to SEK 6.9m (4.7) and include exchange rate gains of SEK 2.4m (1.8) and R&D grants of SEK 3.6m (2.7). The majority of R&D grants came from the EU and relate to projects within the aviation industry. Costs related to the EU-granted projects are reported in operating expenses as R&D costs. In addition to the projects granted by the EU and development expenditures that are capitalized, PowerCell runs R&D activities and expenditures that focus on future technical solutions.

In the quarter, SEK 9.5m was capitalised as development expenditures. The majority of the capitalised expenditures are related to the development of the new PS200 system and a minor part is related to the development of a 5 kW system.

Operating income before and after items affecting comparability amounted to SEK -29.3m (-26.2).

Net income and financial items

Net financial items amounted to SEK 4.1m (2.0) and were mainly related to revaluation effects in bank accounts denominated in foreign currency, primarily EUR.

Net income in the quarter was SEK -25.1m (-24.2).

47.2%

Gross margin January - March 2024



Cash flow

Operating cash flow improved to SEK 38.7m (11.6) and total cash flow increased to SEK 26.5m (8.4) due to improved working capital.

Cash flow from investing activities is affected by product development capitalisation. In the quarter, SEK 9.5m was capitalised as intangible assets.

Financial position

PowerCell's financial position and liquidity are satisfactory. Cash and cash equivalents amounted to SEK 101.2m on March 31, 2024.



Other information

Employees

On March 31, 2024, the Group had 149 (127) employees measured as full-time equivalents, FTE.

The share

The share is listed on Nasdaq Stockholm under the ticker PCELL. On March 31, 2024, the total number of outstanding shares was 52,142,434. PowerCell holds no treasury shares.

Ten largest owners March 31, 2024

Name	Number of shares	Votes and capital
Robert Bosch Group	5,848,531	11.22%
Norges Bank	1,819,264	3.49%
Avanza Pension	1,216,524	2.33%
Green Benefit AG	976,977	1.87%
Legal & General	712,345	1.37%
Global X Management Company LLC	590,949	1.13%
Swedbank Robur Funds	481,130	0.92%
Invesco	459,223	0.88%
Almundi	458,920	0.88%
VanEck	375,285	0.72%
Total ten largest owners	12,939,148	24.81%
Other	39,203,286	75.19%
Total	52,142,434	100.00%

Source: Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

Risks and uncertainties

Through its operations, PowerCell is exposed to risks and uncertainties. For extensive information on the most significant operational and financial risks, please see pages 68-69 and pages 78-79 in the Annual Report for 2023. PowerCell's underlying markets are driven by the strong megatrend of electrification and society's need to transition to emission-free energy. However, severe declines in economic activity can have an impact on the timing of customers' investment decisions. The current macroeconomic situation is pushing inflation higher, which PowerCell can mitigate through contractual price compensation clauses.

Parent Company

The main part of the Group's activity is carried out in the Parent Company PowerCell Sweden AB. Out of 149 employees, 147 are employed by the Parent Company. The Parent Company's revenue amounted to SEK 52.1m (50.5m) in the first quarter. Operating income before and after items affecting comparability for the quarter amounted to SEK -38.1m (-25.9).



Assurance of the Board of Directors

The Board of Directors and the CEO warrant that this interim report for PowerCell Sweden AB (publ), Corp. Id. No 556759-8353, provides a true and fair picture of the Parent Company's and the Group's operations, financial position and results, and describes the significant risks and uncertainties of the parent company and the companies included in the Group.

Gothenburg, April 25, 2024

Magnus Jonsson

Chairman

Nicolas Boutin

Director

Helen Fasth Gillstedt

Director

Riku-Pekka Hägg

Director

Karin Ryttberg-Wallgren

Director

Uwe Hillmann

Director

Annette Malm Justad

Director

Richard Berkling

CEO

This report has not been reviewed by the Company's auditor.



Condensed income statement - Group

SEK thousand	Note	Jan-Mar 2024	Jan-Mar 2023	2023
Net sales	3	52 067	50 521	310 287
Costs of goods and services sold		-27 513	-31 391	-186 275
Gross profit		24 554	19 130	124 012
Selling and administrative costs	4	-29 094	-25 998	-105 796
Research and development costs		-22 824	-22 240	-114 498
Other operating income	7	6 859	4 701	55 036
Other operating costs	8	-8 813	-1 763	-25 272
Operating income before items affecting comparability		-29 318	-26 170	-66 518
Items affecting comparability	6		-	-6 057
Operating income		-29 318	-26 170	-72 575
Net financial items		4 067	1 998	9 620
Profit (loss) after financial items		-25 251	-24 172	-62 955
Income tax		103	6	-5
Profit (loss) for the period		-25 148	-24 166	-62 960
Other comprehensive income:				
Items that may be reclassified to profit or loss				
Exchange differences from foreign operations		-184	8	234
Other comprehensive income for the period		-184	8	234
Total comprehensive income for the period		-25 332	-24 158	-62 726

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

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

SEK	Note	Jan-Mar 2024	Jan-Mar 2023	2023
Earnings per share, basic	5	-0,66	-0,45	-1,57
Earnings per share, diluted	5	-0,66	-0,45	-1,57



Condensed balance sheet - Group

SEK thousand	2024-03-31	2023-03-31	2023-12-31
ASSETS			
Non-current assets			
Intangible assets	31 371	7 662	22 485
Right of use assets (leasing)	32 170	35 872	31 838
Tangible fixed assets	31 586	32 983	33 377
Deferred tax assets	344	210	279
Total non-current assets	95 471	76 727	87 979
Current assets			
Inventories	134 008	94 094	116 985
Current receivables	96 781	100 394	149 341
Cash and cash equivalents	101 216	207 155	70 809
Total current assets	332 005	401 643	337 135
TOTAL ASSETS	427 476	478 370	425 114
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders			
Share capital	1 147	1 147	1 147
Other contributed capital	635 007	635 007	635 007
Reserves	-184	-226	-
Retained earnings (including profit (loss) for the year)	-384 159	-325 302	-360 720
Total equity attributable to Parent Company shareholders	251 811	310 626	275 434
LIABILITIES			
Non-current liabilities leases	21 852	25 155	21 521
Non-current liabilities	30 572	30 575	30 611
Current liabilities leases	6 952	7 215	6 614
Current liabilities	116 289	104 799	90 934
Total liabilities	175 665	167 744	149 680
TOTAL EQUITY AND LIABILITIES	427 476	478 370	425 114



Condensed statement of changes in equity - Group

SEK thousand	Note	Attributable to shareholders of the Parent Company				Total equity
		Share capital	Other contributed capital	Reserves	Retained earnings incl. profit (loss) for the year	
Opening balance 1 January 2024		1 147	635 007	-	-360 720	275 434
Profit (loss) for the period		-	-	-	-25 148	-25 148
Other comprehensive income for the period		-	-	-184	-	-184
Total comprehensive income for the period		-	-	-184	-25 148	-25 332
Transactions with shareholders						
Share-based compensation to employees		-	-	-	1 709	1 709
Closing balance 31 March 2024		1 147	635 007	-	-384 159	251 811
Opening balance 1 January 2023		1 147	635 007	-234	-303 046	332 874
Profit (loss) for the period		-	-	-	-24 166	-24 166
Other comprehensive income for the period		-	-	8	-	8
Total comprehensive income for the period		-	-	8	-24 166	-24 158
Transactions with shareholders						
Share-based compensation to employees		-	-	-	1 910	1 910
Closing balance 31 March 2023		1 147	635 007	-226	-325 302	310 626



Condensed cash flow - Group

SEK thousand	Note	Jan-Mar 2024	Jan-Mar 2023	2023
Cash flow from operating activities				
Operating profit (loss)		-29 318	-26 170	-72 574
Adjustments for non-cash items		10 347	7 780	22 354
Interest received		158	-223	3 005
Paid income tax		-641	-696	-78
Cash flow from operating activities before changes in working capital		-19 454	-19 309	-47 293
Cash flow before changes in working capital				
Increase/decrease of inventories		-17 050	-18 204	-34 195
Increase/decrease of current receivables		51 651	23 539	-25 740
Increase/decrease of current liabilities		23 570	25 596	11 541
Total changes in working capital		58 171	30 931	-48 394
Cash flow from operating activities		38 717	11 622	-95 687
Cash flow from investing activities				
Acquisitions of tangible and intangible assets		-10 318	-1 067	-28 170
Change in financial assets		-	-	0
Cash flow from investing activities		-10 318	-1 067	-28 170
Cash flow from financing activities				
Repayment of leasing liability		-1 886	-2 136	-8 780
Cash flow from financing activities		-1 886	-2 136	-8 780
Decrease/increase of cash and cash equivalents				
Decrease/increase of cash and cash equivalents		26 513	8 419	-132 637
Opening cash and cash equivalents		70 809	196 857	196 857
Effects of exchange rate changes on cash and cash equivalents		3 894	1 879	6 589
Closing cash and cash equivalents		101 216	207 155	70 809



Condensed income statement – Parent Company

SEK thousand	Note	Jan-Mar 2024	Jan-Mar 2023	2023
Net sales		52 067	50 521	310 287
Costs of goods and services sold		-27 513	-31 391	-186 274
Gross profit		24 554	19 130	124 013
Selling and administrative costs		-28 428	-25 511	-102 806
Research and development costs		-32 241	-22 450	-131 751
Other operating income		6 829	4 700	54 987
Other operating costs		-8 829	-1 734	-24 911
Operating income after items affecting comparability		-38 115	-25 865	-80 468
Items affecting comparability		-	-	-6 057
Operating income		-38 115	-25 865	-86 525
Net financial items		3 572	2 227	4 333
Profit (loss) after financial items		-34 543	-23 638	-82 192
Income tax		64	23	93
Profit (loss) for the period		-34 479	-23 615	-82 099

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



Condensed balance sheet – Parent Company

SEK thousand	2024-03-31	2023-03-31	2023-12-31
ASSETS			
Non-current assets			
Intangible assets	5 389	7 662	5 996
Tangible fixed assets	31 585	32 982	33 376
Financial assets	1 359	2 100	1 294
Total non-current assets	38 333	42 744	40 666
Current assets			
Inventories	134 008	94 094	116 985
Current receivables	99 934	105 522	150 438
Cash and bank balances	97 255	203 512	67 978
Total current assets	331 197	403 128	335 401
TOTAL ASSETS	369 530	445 872	376 067
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	1 147	1 147	1 147
Total restricted equity	1 147	1 147	1 147
Non-restricted equity			
Share premium reserve	555 507	555 507	555 507
Retained loss	-298 676	-221 661	-218 285
Profit (loss) for the period	-34 479	-23 615	-82 099
Total non-restricted equity	222 352	310 231	255 123
Total equity	223 499	311 378	256 270
LIABILITIES			
Non-current liabilities	30 000	30 000	30 000
Current liabilities	116 031	104 494	89 797
Total liabilities	146 031	134 494	119 797
TOTAL EQUITY AND LIABILITIES	369 530	445 872	376 067



Notes to the consolidated statements

1. General

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

The Board has approved this interim consolidated financial statement for publication on April 25, 2024.

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

2. Accounting policies

PowerCell applies IFRS as endorsed by the EU. The accounting policies and definitions adopted are consistent with those described in PowerCell's Annual Report 2023.

This Interim financial statement has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies RFR 2 Accounting for legal entities and the Swedish Annual Accounts Act.

3. Net sales

Revenue from contracts with customers

Sales are reported as revenue when control of the goods is transferred to the customer, which normally coincides with its delivery.

Revenue from contracts with customers			
SEK thousand	Jan-Mar 2024	Jan-Mar 2023	2023
Hardware	14 963	21 535	92 267
Services	6 426	16 802	65 499
Royalty fees	2 801	1 606	18 993
Projects according to percentage of completion	27 877	10 578	133 528
Total	52 067	50 521	310 287

Revenue from contracts with customers per country, based on where customers are located

Sweden	304	515	6 111
Germany	7 490	8 725	55 876
Great Britain	2 109	16 399	83 694
Netherlands	3 814	5 155	12 697
US	2 993	16 873	38 514
Norway	20 900	-	93 687
Other	14 457	2 854	19 708
Total	52 067	50 521	310 287



4. Related party transactions

No significant transactions with related parties have taken place in the period.

5. Earnings per share

SEK	Jan-Mar 2024	Jan-Mar 2023	2023
Earnings per share, basic	-0,66	-0,45	-1,57
Earnings per share, diluted	-0,66	-0,45	-1,57

Performance measures used in the calculation of earnings per share

Profit/loss attributable to the shareholders of the Parent Company used in the calculation of earnings per share, basic and diluted

Profit (loss) attributable to Parent Company shareholders, thousand SEK	-34 479	-23 615	-82 099
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Number

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

6. Items affecting comparability

Thousand SEK	Jan-Mar 2024	Jan-Mar 2023	2023
Costs related to listing on Nasdaq Stockholm	-	-	-6 057
Total	-	-	-6 057

7. Other operating income

Thousand SEK	Jan-Mar 2024	Jan-Mar 2023	2023
Currency exchange gains	2 443	1 811	23 908
Grants	3 583	2 746	30 607
Other	833	144	521
Total	6 859	4 701	55 036

The majority of the R&D grants come from the EU and relate to projects within the aviation and heavy-duty truck segments. Costs related to the EU-granted projects are to be found in operating expenses as R&D costs.

**8. Other operating cost**

Thousand SEK	Jan-Mar 2024	Jan-Mar 2023	2023
Currency exchange losses	-8 813	-1 763	-25 106
Other	-	-	-166
Total	-8 813	-1 763	-25 272

9. Significant events after the end of the reporting period

No significant events have occurred after the end of the period.

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 analyzing 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.

Net sales rolling twelve-month

Net sales for a period that is determined monthly and consists of the previous twelve consecutive calendar months. Net sales rolling twelve months can give investors an understanding of the company's sales development on a more current basis than the previous financial year.



Financial calendar

Interim report Q2 July 18, 2024

Interim report Q3 October 17, 2024

Interim report Q4 and year-end report 2024, February 13, 2025

Webcast presentation

PowerCell's first quarter 2024 will be published on Thursday 25 April at 07:30 am CEST. An online presentation will take place the same day at 08:30 am CEST. The presentation can be listened to online or by calling in. The presentation will be followed by a question-and-answer session. The presentation is held in English.

If you wish to participate online, please use the link <https://ir.financialhearings.com/powercell-q1-report-2024>. You can ask questions in writing at the online presentation.

If you wish to participate in the telephone conference, you can register using the link <https://conference.financialhearings.com/teleconference/?id=5005470>. Following registration, you will receive telephone numbers and a conference ID to log in to the conference. You can ask questions verbally at the telephone conference.

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This information constitutes information that PowerCell Sweden AB (publ) is obliged to make public according to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out below, at 07:30 am CEST on April 25, 2024.

Every care has been taken in the translation of this interim report. In the event of discrepancies, the Swedish original will supersede the English translation. The addition of the totals presented may result in minor rounding differences.

About PowerCell

PowerCell is a world leader in hydrogen electric solutions with unique fuel cell stacks and systems. With decades of experience, we use our expertise to accelerate the transition to an emission-free, more sustainable world. We target industries such as aviation, marine, off-road, on-road and stationary power generation. With our cutting-edge products, we help our customers to reach net zero emissions already today.

We are headquartered in Gothenburg, Sweden with sales globally. PowerCell is listed on Nasdaq Stockholm.

To read more about our products and services, visit powercellgroup.com.