

PowerCell intends to carry out a directed issue

PowerCell Sweden AB (publ) (“PowerCell” or the “Company”) announces its intention to carry out a directed issue of new shares corresponding to approximately ten (10) per cent of the total number of shares and votes, respectively, in the Company (the “Share Issue”). The Share Issue will, with deviation from the shareholders preferential rights, be directed to Swedish and international institutional investors. Axon Partners Group has declared their intention to subscribe for shares corresponding to approximately SEK 35 million in the Share Issue and the Company’s largest shareholder Bosch has indicated interest to subscribe for shares corresponding to their pro rata share in the Share Issue. PowerCell has appointed Carnegie Investment Bank AB (publ) and Nordea Bank Abp, filial i Sverige (together the “Joint Bookrunners”) to investigate the conditions for carrying out the Share Issue. The subscription price in the Share Issue will be determined through an accelerated bookbuilding procedure (the “Bookbuilding”) that starts immediately after the publication of this press release.

The Share Issue is intended to be carried out based on the authorisation given by the Annual General Meeting on 25 April 2024 and with deviation from the shareholders’ preferential rights. The subscription price and the total number of new shares in the Share Issue will be determined through the Bookbuilding, which is being conducted by the Joint Bookrunners and which will commence immediately after the publication of this press release. The completion of the Bookbuilding, pricing and allotment of the new shares in the Share Issue is expected to take place before trading commences on Nasdaq Stockholm at 09:00 CET on 12 December 2024. The timing of the closing of the Bookbuilding, pricing, and allotment will be resolved by the Company and the Company may at any time resolve to shorten, extend, or suspend as well as refrain, wholly or partially, from carrying out the Share Issue. The Company will announce the outcome of the Share Issue through a press release after the closing of the Bookbuilding.

Background and reasons for the Share Issue

The Company is experiencing strong momentum and continues to successfully execute on its commercialisation strategy with significant progress in several of the Company’s segments, including Aviation, Marine, Power Generation, Off-road, and On-road.

In Marine, PowerCell signed one of the world’s largest orders for marine fuel cell systems in September 2024, worth SEK 165 million, with a leading Italian OEM manufacturer, strengthening the transition to a more commercial and OEM-driven market.

In parallel with the progress in Marine, the Company is strengthening its position in Aviation. In October 2024, the Company signed a new Memorandum of Understanding (MoU) with ZeroAvia to collaborate on the development of next generation fuel cell technologies. This opens up for more energy-intensive applications such as large fixed-wing aircraft and rotorcraft.

The collaboration with ZeroAvia includes, among other things, the development of the new powerful 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. The HDS is also suitable for applications in several of the Company's segments, including Aviation, Marine, Power Generation, Off-road, and On-road, and will benefit PowerCell's development and commercialisation in these segments.

In September 2024, 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. The system can be run solely on methanol and is aimed at customers with limited access to hydrogen and hydrogen refuelling solutions, which is often the case for several ports and off-grid systems.

With strong momentum and progress in several segments, the Company intends to carry out the Share Issue to continue to support the OEM commercialisation phase and accelerate the development of new products and applications. The Company intends to use the net proceeds from the Share Issue for the following purposes:

Industrialisation and product introduction of a fully integrated Methanol-to-Power reformer solution using the Company's fuel cell system for marine applications following an AiP from DNV for PowerCell's Methanol-to-Power product solution;

Accelerate the industrialisation of PowerCell's next generation HDS to offer customers a heavy-duty fuel cell stack with significant improved performance following initial commercial interest from ZeroAvia;

Working capital to support the growth of the Company's OEM customer base and order intake; and

Potential acquisition or strategic investments to add complementary competences and expand within the value chain and accelerate the Company's growth strategy.

Deviation from the shareholders' preferential rights

The Board of Directors of PowerCell has made an overall assessment and carefully considered the option of raising capital through an issue of new shares with preferential rights for the Company's shareholders. The Board of Directors has made the assessment that it is more beneficial for the Company and its shareholders to raise additional capital through an issue of new shares with deviation from the shareholders' preferential rights, considering that a directed issue:

further diversifies and strengthens the Company's shareholder base with institutional investors;

can be carried out at a lower cost and with less complexity than a rights issue;

takes less time to implement and entails a lower exposure to potential market volatility than a rights issue; and

enables the Company to act swiftly on business opportunities.

Considering the above, the Board of Directors' overall assessment is that the reasons for carrying out a directed issue with sufficient strength outweigh the reasons supporting the general rule that share issues should be carried out with preferential rights for the shareholders, and that a directed issue is the most favourable alternative for the Company to raise capital.

The subscription price in the Share Issue will be determined through the Bookbuilding and it is the Board of Directors assessment that the subscription price therefore will reflect prevailing market conditions and investor demand, and thus being considered to be on market terms.

In consideration of the above, the Board of Directors deems that the Share Issue will be made in accordance with the terms and conditions as well as the limitations of the authorisation to the Board of Directors to resolve on issues of, inter alia, shares, granted by the Annual General Meeting on 25 April 2024.

Lock-ups

Provided that the Board of Directors resolves to carry out the Share Issue, the Board of Directors and management have undertaken not to sell or otherwise transfer or dispose of shares or other securities in PowerCell, without the consent of the Joint Bookrunners, during a period of 90 calendar days following the settlement of the Share Issue. Additionally, the Company will undertake, provided that the Board of Directors resolves to carry out the Share Issue, not to carry out or propose any additional issuances of shares or other securities in the Company, without the consent of the Joint Bookrunners, for a period of 90 calendar days following the settlement of the Share Issue.

Advisers

Carnegie Investment Bank AB (publ) and Nordea Bank Abp, filial i Sverige have been appointed as Joint Global Coordinators and Joint Bookrunners. MAQS Advokatbyrå is legal adviser to the Company and Baker & McKenzie Advokatbyrå is legal adviser to the Joint Bookrunners in connection with the Share Issue.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions by law. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer to sell or an offer, or the solicitation of an offer, to acquire or subscribe for shares or other securities issued by the Company, neither by the Company or anyone else, in any jurisdiction where such offer or invitation would be illegal prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorised any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at “qualified investors” in that Member State within the meaning of the Prospectus Regulation.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea, or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Share Issue must be made on the basis of all publicly available information relating to the Company and the Company’s shares. Such information has not been independently verified by the Joint Bookrunners. The Joint Bookrunners is acting for the Company in connection with the Share Issue and no one else and is not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Share Issue or any other matter referred to herein.

This press release does not constitute a recommendation for any investors' decisions regarding the Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Failure to follow these instructions may result in a breach of the Securities Act or applicable laws in other jurisdictions.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq Stockholm's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Company'

s shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the “**Positive Target Market**”); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.

Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the shares of the Company is not suitable for investors who need full capital protection or full repayment of the amount invested, cannot bear any risk, or who require guaranteed or predictable return (the “**Negative Target Market**”, and together with the Positive Target Market, the “**Target Market Assessment**”).

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the shares in the Company and determining appropriate distribution channels.

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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.

This information is information that PowerCell Sweden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-12-11 17:31 CET.

Attachments

[PowerCell intends to carry out a directed issue](#)