This is an unofficial translation of the original Swedish Annual Report 2021. In the event of any discrepancy between the versions, the Swedish version shall prevail.

ANNUAL REPORT 2021

CELLIMPACT

CONTENTS

ANNUAL GENERAL MEETING

Cell Impact welcomes all shareholders to the Annual General Meeting which will take place on Thursday, April 21, 2022 at 14:00 at the IVA Conference Center, Grev Turegatan 16, in Stockholm. As a shareholder, you can exercise your voting right by postal vote, by participating in person or by proxy.

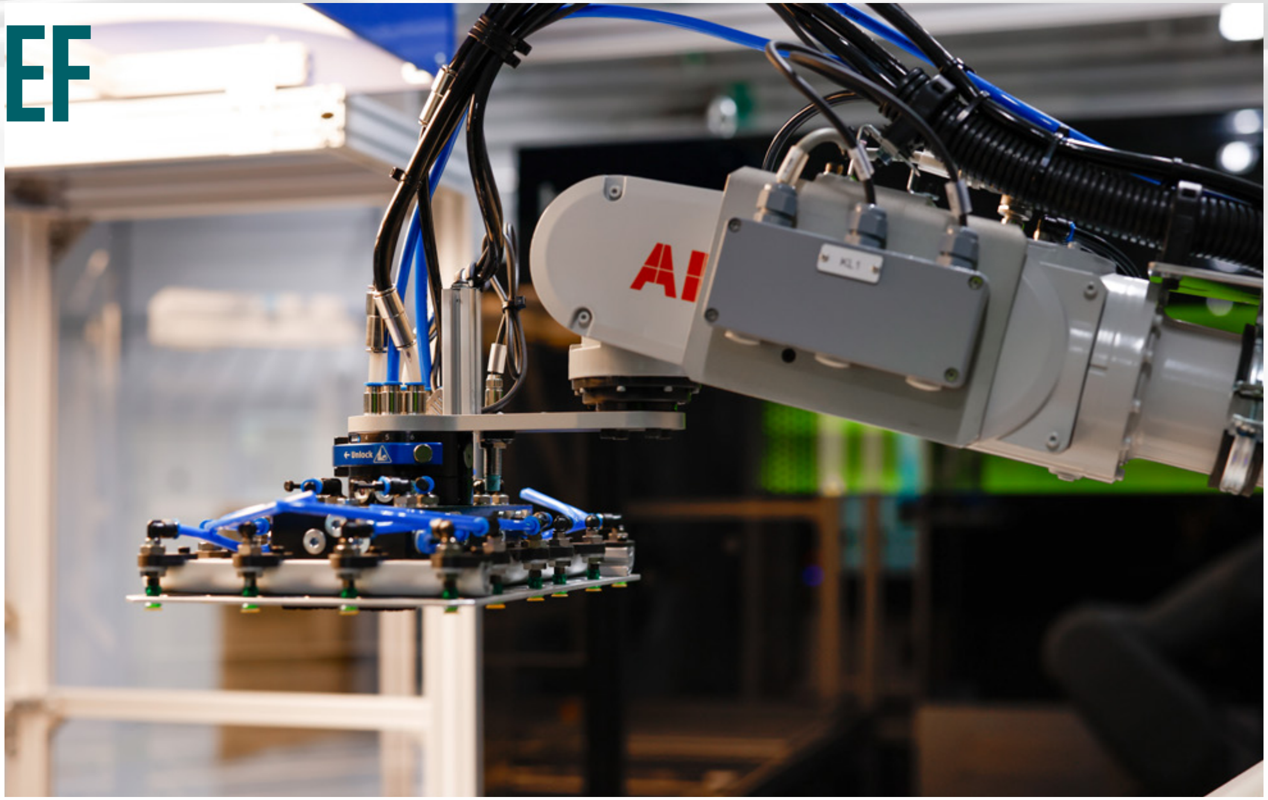
You are required to register if you wish to participate at the Annual General Meeting. Find more information on Cell Impact's website.

Welcome!
Robert Sobocki,
Chairman

FINANCIAL CALENDAR

Annual General Meeting....April 21, 2022
Interim report for Q1 2022....May 6, 2022
Interim report for Q2....August 25, 2022
Interim report for Q3.... November 4, 2022
Year-End Report for 2022....February 17, 2023

THE YEAR IN BRIEF



Q1

- **January 12 | Cell Impact appoints China Country Manager.** Mr. Forrest Zhang is appointed Country Manager for Cell Impact in China.
- **March 12 | Cell Impact receives SEK 42 million order from Plug Power for new production line and flow plates**
  Plug Power Inc. orders Cell Impact Forming™ production equipment and flow plates.
- **March 15 | Nowogen Technology places SEK 1.3 million order for serial production of flow plates**
  Beijing-based Nowogen Technology orders serial production of flow plates.
- **March 31 | Cell Impact Japan Inc. office now open**
  Cell Impact's office in Japan opens with Mr. Shigeru Nakagawa as CEO.

Q2

- **May 12 | Cell Impact strengthens Management Team with new COO**
  Daniel Vallin is appointed as new Chief Operating Officer.

Q3

- **July 5 | Cell Impact Japan Inc. receives order worth SEK 5.3 million**
  Cell Impact's Japanese office receives its first order.
- **September 3 | Cell Impact strengthens management with new Chief Human Resources Officer**
  Karina Sick Larsson is appointed CHRO.

Q4

- **November 29 | The Board of Directors of Cell Impact has resolved on a fully guaranteed rights issue of up to approximately SEK 349 million**
  Cell Impact's Board resolves on a rights issue.
- **December 27 | Cell Impact announces final outcome of the fully guaranteed rights issue**
  Cell Impact announces that the rights issue will provide the company with approximately SEK 349 million before transaction costs.

The year in figures (SEK million)	**2021**	2020
Revenue	81.8	29.3
Operating profit/loss	-78.0	-43.1
Loss after financial items	-79.7	-44.3
Profit/loss after tax, attributable to the shareholders of the Parent Company	-79.9	-44.3
Cash flows from operating activities	-86.1	-47.6
Earnings per share attributable to the shareholders of the Parent Company (in SEK)	-1.35	-0.88

THIS IS CELL IMPACT

At Cell Impact, we develop and manufacture customized metal flow plates for fuel cells and electrolyzers. Our proprietary Cell Impact Forming™ technology makes it possible to produce flow plates in large volumes in a cost-efficient way, which is often a prerequisite for environmentally friendly hydrogen technology in many applications. We operate in a global market and our new production facility is located in Karlskoga.

Fuel cells produce electricity and heat through an electrochemical reaction between hydrogen and oxygen. The technology is very environmentally-friendly and the only byproduct is clean water. Electrolyzers are used to produce hydrogen from clean water with the help of electricity. Around the world, a major shift from fossil fuels to renewable energy sources is now taking place and Cell Impact is part of this development.

CELL IMPACT FORMING™

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

ADVANTAGES

Cell Impact Forming offers many advantages over conventional forming technology. The method is 5-10 times faster than progressive pressing, consumes less energy, needs no lubricant or water-intensive cleaning, reduces tool costs by up to 50 percent and requires minimal maintenance. This makes Cell Impact Forming a very environmentally-friendly manufacturing method.

OFFERING

Cell Impact's offering includes highly specialized design services for flow plates, tool design, prototype series and production of larger volumes. We manufacture both single-sided flow plates and mounted plates, called bipolar flow plates, for our customers.

MARKET

Cell Impact's market comprises mainly vehicle and fuel cell manufacturers that offer hydrogen-powered fuel cells as an energy source in electric vehicles such as forklifts, cars, ships, aircraft and trucks. Another market segment is fuel cells for reserve power used, for example, in mobile networks, hospitals and data centers.

Flow plates for electrolyzers represent another growing market segment in the global transition to renewable energy.

HIGH-VOLUME PRODUCTION OF CUSTOMIZED FLOW PLATES FOR FUEL CELLS & ELECTROLYZERS

Company
About 105 employees.

Locations
New head office and production facility in Karlskoga, Sweden. Subsidiary in Japan, Cell Impact Japan Inc., and local presence in Germany and China.

Cell Impact Forming™
Unique production technology protected by global patents.

Offering
Development and production of cost and energy-efficient flow plates for fuel cells.
- DFM (Design for Manufacturing)
- Prototype series
- High-volume production

Business model
- Project revenues
- Sales of flow plates

CUSTOMERS

Cell Impact operates on a global market and our customers are primarily in North America, China and Japan, areas that are now investing substantially in environmentally friendly hydrogen technology. In the EU, there is also increased interest in hydrogen fuel, particularly following the large hydrogen investments announced within the framework of the European Green Deal.

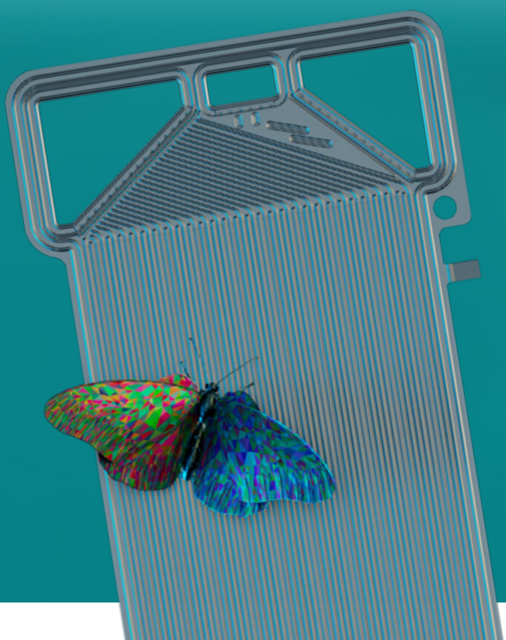
More is better.

The hydrogen revolution will require millions of flow plates, which is why Cell Impact has developed a completely new method of producing customized metal flow plates for fuel cells.

Our innovative Cell Impact Forming™ method uses high velocity forming to minimize the risk of material thinning. With a single tool and in one step, we form high-quality flow plates in large volumes.

This type of tool makes Cell Impact Forming™ both faster and more cost-efficient than conventional forming methods.

One of a million,
yet one in a million



CELLIMPACT
FORMING™

CELLIMPACT

CELL IMPACT WAS FOUNDED IN SWEDEN IN 1999

cellimpact.com

A YEAR OF SCALING UP

When we entered 2021, Cell Impact had recently moved into its new factory and there was a high level of activity both in production and in prototype programs for tool development. The plan for 2021 was to introduce additional capacity gradually, increase production and build up the organization.

As with most other companies, the pandemic created challenges for Cell Impact in terms of a lack of components and transportation issues, which resulted in delays and higher costs that also impacted profits in 2021.

In step with the increased demand for our flow plates and consequently increased production, there was a robust mobilization during the spring and summer with the installation of significant amounts of production equipment and recruiting of additional staff, both in production and in management positions. In total, Cell Impact's staff grew by 70 people in 2021, which is an important addition but also a challenge to train all of our new colleagues. It was gratifying, however, to note that there was such great interest in working at Cell Impact.

Thanks to our expansion and the company's strong commitment during the year, we rapidly increased production capacity and continued our positive quarterly sales growth. In total, our revenues increased by 179 percent during the year.

SIGNIFICANT RELATIONSHIP WITH PLUG POWER

After a multi-year collaboration with Plug Power, Cell Impact received an order of SEK 42 million at the beginning of the year – the largest single order in Cell Impact's history. Among other things, the order included Cell Impact Forming equipment as well as the company's largest order to date for bipolar flow plates. This significant order is a milestone in our relationship with Plug Power and constitutes a new phase with a substantial demand for flow plates and continuous production.

The sale of Cell Impact Forming equipment is an exception. It was made against the backdrop of it strongly contributing to the company's long-term strategy to grow sales of flow plates together with strategically important manufacturers of fuel cells and electrolyzers. The main strategy is to set up our own production lines in strategic customers' operations so we can quickly scale up production volumes on site and avoid expensive transports of finished flow plates.

We consider this order from a world-leading company in the industry to be validation of Cell Impact Forming and the company's ability to satisfy demanding customer requirements with expertise and industrial activity.

Cell Impact and Plug Power will now produce flow plates using the same forming technology, Cell Impact Forming. The agreement also aims to reduce the risk in the supply chain by establishing several production sites for flow plates. Work on the equipment order from Plug Power is expected to be completed during the first quarter of 2022.

AN INCREASING ORDER BOOK

The move to the new factory in the fall of 2020 and construction of the factory and organizational changes in 2021 have laid the foundation for significant production. The best proof of this is the solid order book that we are now taking with us into 2022. These orders will put a considerable part of our production capacity to use during the year.

Although Cell Impact will grow dynamically for many years to come, several functions have already been incorporated into the way our mature industrial company is operating in step with growing the expertise in and size of the company. The important thing is that we now have underlying business that consists mainly of producing and delivering flow plates. This business is supported by an order book that makes it possible to plan production as well as capacity and investments in the somewhat longer term. Not only that, it also creates stability and the conditions for long-term purchasing, creating an order horizon for raw materials on a rolling 12-month basis – an additional important consideration for future business.

GROWING INTERNATIONALLY WITH CUSTOMERS

Cell Impact's ambition is to grow internationally with its customers. This internationalization is already underway, and we now have representation in Germany, China and Japan. This presence will contribute greatly to Cell Impact's development now and in the future.

Cell Impact Japan Inc. opened its office in Tokyo at the beginning of the year and secured an important order shortly afterwards. The company will focus on already ongoing activities and at the same time position Cell Impact in the growing Japanese hydrogen economy, making it possible for fuel cell manufacturers to explore what Cell Impact's production technology for flow plates has to offer, Cell Impact Forming.

CLEAR DEVELOPMENT STRATEGY

About three years ago, Cell Impact established a strategy to become a manufacturer of flow plates based on its patented forming technology, Cell Impact Forming. To achieve this goal, the development plan was divided into different phases. The current phase, Phase 1, aims to satisfy the existing demand for flow plates based on available production technology. Since moving to our new premises in October 2020, Cell Impact has built a complete and robust production system covering approximately half of the Karlskoga factory's total 5,000 m^2 of production space. This means that we have been successful in transforming from being primarily a machine developer to a producer of flow plates in line with our 2018 strategy.

In Phase 2, we aim to further develop production and supply with more compact and productive

»Green hydrogen production is now gaining momentum. The private sector has announced investments of more than USD 300 billion and the EIA estimates that putting the hydrogen sector on a path consistent with global net-zero emissions by 2050 will require USD 1,200 billion in investments by 2030.«

process technologies that will enable us to meet the expected strong demand for our products.

DRIVING FORCES IN MARKET DEVELOPMENT

In our recent quarterly reports, we've talked about the significance of various initiatives from the political and business community viewpoints. In 2021, further powerful initiatives were introduced, and we can see that growth in the hydrogen sector will continue to accelerate in the coming years. The European Green Deal, which has identified hydrogen as a strategic energy carrier, is a particularly powerful catalyzer that will be supported by investments of EUR 430 billion over 10 years to roll out green hydrogen production. Other initiatives include the US returning to the Paris Agreement, COP26 and Net Zero initiatives on both national and corporate levels, as well as the expansion of hydrogen filling stations. Geopolitical considerations within the energy sector and mineral scarcity as well as recently introduced sanctions against Russia also reinforce the need for and benefits of green hydrogen.

Green hydrogen production is now gaining momentum. The private sector has announced investments of more than USD 300 billion. But putting the hydrogen sector on a path consistent with global net-zero emissions by 2050 will require USD 1,200 billion in investments between now and 2030, according to estimates by the IEA (International Energy Agency).

Thanks to the European Green Deal and other major political initiatives, electrolyzers are opening up as an important new segment for Cell Impact since a growing part of the market uses the same type of flow plates as those used in fuel cell stacks. This is a gratifying development and we're already receiving more requests for electrolyzers as an application.

Cell Impact has positioned itself to grow with these trends and is contributing to scaling up the industry through Cell Impact Forming as well as its expertise in production and application.

Pär Teike, CEO

CELLIMPACT FORMING™

Cell Impact Forming™ is the name of Cell Impact's patented high-velocity forming and the foundation of the company's offering. We believe that this scalable technology will become increasingly important in the coming years and the main patent is valid until 2035.

Cell Impact Forming offers a multitude of technical features and benefits, the most important of which is forming at a much higher speed than in conventional methods. This results in greater cost efficiency and higher quality. Additionally, its scalability and environmental friendliness are also important benefits for both customers and prospects.

SCALABILITY

The investments required to form flow plates in the most cost-efficient way represent a challenge for many producers. However, Cell Impact's customers have done the math and know that Cell Impact Forming is the most scalable technology on the market.

Cell Impact Forming is relatively easy to scale due to the small size and low complexity of the equipment. In addition, it can be placed directly on a standard industrial floor, so there is no need for substantial changes to the factory space. The comparatively low capex in combination with the small standard factory floor area required and the ease of installation are strong factors in favor of Cell Impact Forming.

Cell Impact Forming is also low in structural complexity, making it relatively easy to build. Since Cell Impact will soon add new forming capacity at its Karlskoga factory, the lead time for Cell Impact Forming is just four to six months compared with conventional forming equipment production methods with wait times of 24 months (and even longer since the Covid-19 pandemic started).

During 2020, Cell Impact also began establishing a component supply chain for Cell Impact Forming to facilitate assembling additional forming units on a regular basis from 2021. The supply chain will continue to improve as it matures and the company thus expects to be able to further shorten lead times.

These successive improvements will make Cell Impact even more agile in responding to market demand with relatively short lead times. This will enable Cell Impact's customers to create new fuel cell or electrolysis business based on available manufacturing capacity for flow plates.

The shorter lead time for new Cell Impact Forming capacity will play a key role in a growing industry and for Cell Impact as a company, both in Karlskoga and internationally.

ENVIRONMENTAL BENEFITS

Another clear benefit of Cell Impact Forming's smart hydraulic forming is the fact that it requires very little water and electricity compared with conventional forming. This is important to many of Cell Impact's customers and prospects who often operate in geographies where water is scarce and energy is comparatively costly and less green than in Europe.

Since forming takes place at very high speeds, oil is not required, saving vast amounts of water and expensive water treatment processes since removing oil from the plates post-production is not necessary.

In this way, Cell Impact Forming is also helping make fuel cell manufacturers more competitive, thus accelerating the transition to a greener society.

TOOLING

When it comes to producing flow plates, manufacturing the tooling used to form flow plates is an industry in its own right. Proper tooling for forming is critical, but wear and tear can lead to significant costs.

Cell Impact Forming's tooling has low complexity, making it less costly and time consuming to make than more traditional tools. Additionally, the low complexity results in lower maintenance costs and higher quality plates, contributing to lower costs.

Cell Impact Forming tooling is also more durable than conventional tooling. According to the results of a paid customer study of the durability of Cell Impact tooling, there are strong indications that it has a lifespan three to four times longer than tools used in conventional shaping.

AND JUST LIKE THAT – IT'S TIME FOR HYDROGEN

The Covid-19 pandemic has affected human health and the economy around the globe. But even though the crisis has had significant damaging impacts, paradoxically, it has been vital in the transition to sustainable energy. And by all accounts, green hydrogen will be one of the key players.

TEXT: JOAKIM RÅDSTRÖM **PHOTO:** ZEROAVIA, ALSTOM, ADOBE STOCK

It's said that necessity is the mother of invention, and the pandemic is no exception. Many business leaders and politicians are now looking to restart the economy and energy sector in line with the green transition. And hydrogen will be an essential part of the energy solutions of the future. According to the International Hydrogen Council, the cost of hydrogen will fall faster and to a greater extent than expected, with estimates of a 50 percent drop in price. Indeed, the cost of hydrogen has been a major obstacle in developing the hydrogen industry.

Recent world events have also clearly demonstrated the importance of carefully-considered strategies for energy security. While only a few global players can control fossil fuels, producing hydrogen can never be limited in such a way, making it a much safer alternative. Against this backdrop, the EU will launch the REPowerEU initiative to accelerate investments in producing and importing renewable hydrogen. By the end of 2022, REPowerEU is expected to replace 100 billion cubic meters of natural gas, or two-thirds of what is imported from Russia. And in line with the already-approved 55 percent package, the initiative will replace this consumption with its production of renewable alternatives by 2030. These investments will help meet the European Green Deal goals to make the EU climate neutral by 2050.

Fuel cells are at the very crossroads between market potential and environmental needs. About one billion cars are on the roads today, resulting in 4.6 billion tonnes of CO_2 emissions. This needs to be addressed quickly, and the market for fossil-free energy and fuel alternatives is continuing to grow.

A MASSIVE ENERGY TRANSITION

The potential for change is enormous. The International Energy Agency (IEA) estimates that the global market for producing wind turbines, solar panels, lithium-ion batteries, electrolyzers and fuel cells will need to grow tenfold if we are to achieve net-zero emissions by the EU's target year, 2050. This represents a cumulative market value of 270 trillion Swedish kronor (that is, 270,000 billion!).

At the same time, infrastructure must be expanded, not least in parts of Europe and outside of California. By year-end 2021, there were 540 active hydrogen filling stations worldwide. 154 were in market-leading Japan, with South Korea coming second with 112 stations. Germany had 91, the US had 48 (47 in California and one in Hawaii) and China had 39. Sweden has only four hydrogen filling stations in Mariestad, Sandviken, Umeå and at Arlanda Airport outside Stockholm.

On a positive note, there is a flurry of hydrogen-related activity today, not least in politics. More countries and regions are setting targets for hydrogen use in energy and transport. For example, Germany has set a requirement that 2 percent of all fuel used in air traffic must be hydrogen-based by 2030. The European Commission has proposed a goal for hydrogen and hydrogen-based fuel cells to contribute 2.6 percent of the energy needed for transport in the EU by 2030. And Japan has published a report on ammonia-linked hydrogen for electricity generation and shipping.

China, which with its population and fast-growing economy warrants a closer look, has announced a target to have one million fuel cell-powered cars and 1,000 hydrogen filling stations by 2030. There are also plans to make the multimillion-dollar city of Wuhan into China's first "hydrogen city"with 100 fuel cell manufacturers and 300 hydrogen filling stations on roads by 2025. Not only that, during the 2022 Winter Olym-

ZeroAvia is converting Havilland's model Q400 propeller aircraft to use hydrogen as fuel.

The Coradia iLint train is the world's first train powered by hydrogen, making it perfect for non-electrified rail sections.

pics, over 600 hydrogen-powered cars moved athletes around the Olympic city of Zhangjiakou.

The US is also raising the stakes. In California, the public-private California Fuel Cell Partnership has set a goal to have one million fuel cell powered cars and 1,000 hydrogen filling stations by 2030. And American Plug Power is investing to become the hydrogen industry's equivalent of what Shell and BP have been in the oil industry – a mega-corporation covering everything from hydrogen production and storage to distribution and power generation.

LIGHTNING-SPEED INNOVATION

Hydrogen technology is also being developed for an increasing number of areas. Today, cars, buses and trucks are powered by fuel cell technology. Now, London is investing in ambulances that rely on combined battery and hydrogen-powered fuel cells to ensure that vital transports never risk failing due to battery issues. At the same time, UK construction machine manufacturer JCB has launched a 20-ton excavator powered by a large hydrogen fuel cell.

»A group of UK experts recently developed a design concept for a passenger plane powered by liquid hydrogen and traveling almost 1,000 km non-stop.«

This progress in hydrogen-powered vehicles is not just limited to land-based activities. For example, a group of UK experts recently developed a design concept for a passenger plane powered by liquid hydrogen and traveling almost 1,000 km non-stop – a distance equal to the flight path between London and San Francisco.

In this area, UK-US company ZeroAvia is already converting De Havilland Q400 propeller aircraft to operate using hydrogen fuel. The driveline of the plane is based on hydrogen-powered fuel cells that deliver 2-5 MW of power, and the company aims to outfit commercial flights between London and Rotterdam as early as 2024.

The Norwegian Hyrex 28 leisure boat is electrically powered and uses fuel cells as a range extender. This vessel offers an impressive 20–25 hours of travel at up to 10 knots.

Back on land, trains can also be run on hydrogen fuel. In Sweden, the energy and train group Alstom tested a hydrogen-powered train, Coradia iLint, in Östersund in 2021, the world's first train powered by hydrogen, which makes it perfect for non-electrified rail sections. The company estimates that replacing one regional diesel train with a hydrogen train can cut emissions equal to the annual emissions of 400 cars.

BILLIONS INVESTED IN ENVIRONMENTALLY FRIENDLY HYDROGEN

Heavy industry has long used hydrogen in various processes, but producing it has not always been sustainable. But with access to renewables, this is changing rapidly. And thanks to electrolyzers (see fact box on next page), it is easier to scale up manufacturing without generating greenhouse gases.

And this is happening fast. Right now, more than 500 billion dollars is earmarked globally to produce

The REPowerEU initiative will accelerate investments in producing and importing renewable hydrogen. By the end of 2022, REPowerEU is expected to replace 100 billion cubic meters of natural gas.

and distribute environmentally friendly hydrogen by 2030. While large plants for producing hydrogen are being designed and built worldwide, the gas sector is also developing distribution methods. Hydrogen can be transported in pipelines, under pressure or cooled in liquid form. The industry is also examining ways to store hydrogen in chemical form, such as ammonia and methanol.

Substantial investments in technology development and production capacity are also helping reduce hydrogen prices. Today, green hydrogen costs between 3 and 7 dollars per kilogram, making it difficult to compete with hydrogen produced from fossil fuels (which costs just under 2 dollars per kilogram). But by 2030, the price of green hydrogen is expected to fall below the price of fossil-based hydrogen, making it a very competitive alternative.

ELECTROLYZERS

An electrolyzer breaks down water into hydrogen and oxygen with the help of electricity. It contains two electrodes, each with a positive (anode) and a negative (cathode) charge. Positively charged ions receive electrons from the surface of the cathode and form hydrogen gas, while negatively charged ions emit electrons at the anode so that oxygen is formed.

The technology has been around for some time and is well-proven: the first electrolytic cleavage of water was carried out as early as 1800 by scientists Anthony Carlisle and William Nicholson in London.

If the electricity for the electrolyzer comes from renewable sources, it is possible to produce 100 percent climate-friendly hydrogen gas instead of making it using steam-reforming natural gas.

HYDROGEN INVESTMENTS IN 2021

Many investments in hydrogen and fuel cells were announced in 2021, and the future for developing green energy and transport looks very bright.

In early 2022, the US Department of Energy announced it would invest 9.5 billion dollars in pure hydrogen. The investment is based on an infrastructure law passed by both Republicans and Democrats.

Toyota will start manufacturing second-generation fuel cell modules based on the successful FCEV Mirai model. The new Mirai can now run for 1,000 km between gas refills, with an average consumption of 0.55 kilos of hydrogen per 100 km. Going forward, the Japanese car giant also aims to take its fuel cell technology beyond the automotive sector – trains and homes are possible applications.

Swedish Hybrit, a joint venture between SSAB, LKAB, and Vattenfall and H2 Green Steel, led by investors behind the Northvolt battery company and others, continued developing the first facilities for producing fossil-free steel in northern Sweden. What is novel about this project is that hydrogen is used as a reducing agent instead of climate-impacting coal.

The Swedish Energy Agency put forth a national strategy for fossil-free hydrogen during 2021. One proposed goal aims to create conditions for 5 GW of electrolyzer capacity by 2030 and a further 10 GW by 2045.

In the US, Green Hydrogen International (GHI) announced plans to build a 60 GW green hydrogen gas plant in Piedras Pintas, Texas, which will be the world's largest of its kind. One main purpose is to supply fuel to long-haul flights and even rockets.

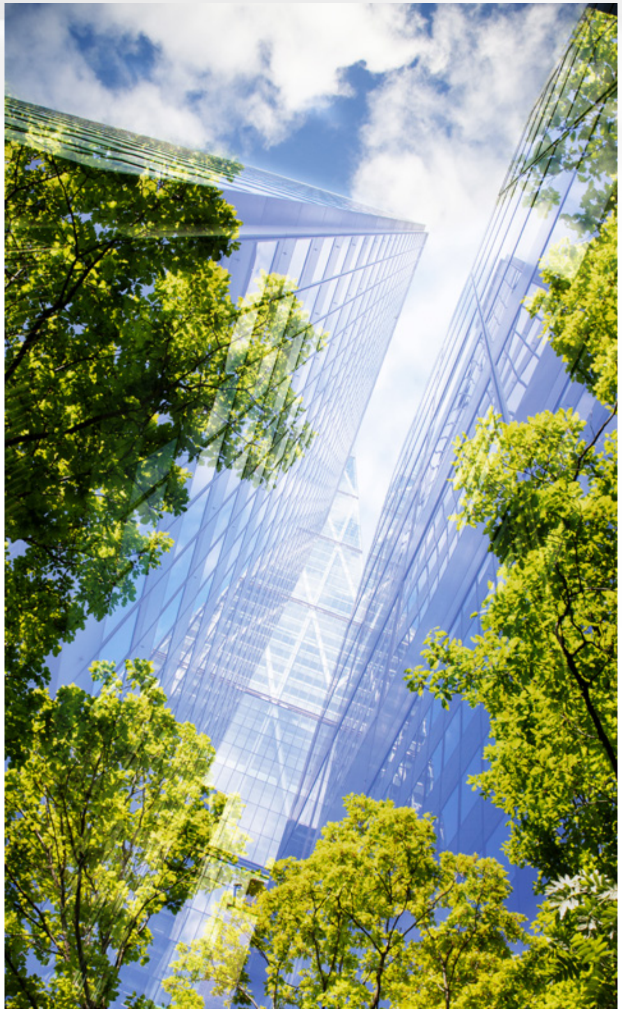
Australia and Germany signed a letter of intent to cooperate to produce hydrogen. The goal is to reduce the price of producing hydrogen to less than 2 Australian dollars (around 14 Swedish kronor) per kilogram. The international think tank Energy Transitions Commission (ETC) estimates that the price of producing hydrogen in Australia could fall to as low as 10 Swedish kronor by 2030.

During the year, the European Parliament approved a motion also to use "blue hydrogen" (which is extracted from fossil gas and combined with carbon capture and storage) and "yellow hydrogen" (which is generated using nuclear power) to achieve a fully renewable energy supply.

In February, Toyota's renowned hydrogen-powered prototype city, Woven City, was inaugurated in Japan. And later in the year, an international ministerial meeting took place to focus on hydrogen energy. Delegates from 29 countries participated.

In 2021, almost 16,000 hydrogen fuel cell cars were sold worldwide, an increase of as much as 82 percent year on year.

Truck giants Volvo and Daimler started developing and producing fuel cells under the joint venture Cellcentric. Soon, they aim to build Europe's largest fuel cell factory.



THE SHARE

SHARES AND SHARE CAPITAL

According to Cell Impact's Articles of Association, the share capital shall be no less than SEK 4,440,000 and no more than SEK 17,760,000, divided into no fewer than 37,000,000 shares and no more than 148,000,000 shares. The company may issue shares in two classes: class A shares and class B shares (see "Voting rights" below). No more than 4,440,000 class A shares may be issued and no more than 143,560,000 class B shares may be issued.

At year-end, the registered share capital of Cell Impact was SEK 6,811,362 divided into 58,842,334 shares, of which 217,800 are class A shares and 58,624,524 are class B shares. Each share has a quota value of approximately SEK 0.12. Each share confers an equal right to the company's assets and profit. There are no restrictions on the transferability of the shares. The company's shares are not subject to any offer made due to an obligation to launch a bid, a redemption right or a buy-out obligation. The company's shares have not been subject to a public takeover bid during the current or previous financial year.

When the rights issue was carried out in December, an additional 16,812,094 shares were subscribed for, corresponding to share capital of SEK 1,946,103. The shares were registered by the Swedish Companies Registration Office in January 2022 and are reported as unsubscribed share capital in the balance sheet as at December 31, 2021.

After the balance sheet date, December 31, 2021, at the request of the A-shareholders, all A-shares in Cell Impact were converted into B-shares. Cell Impact now has only B-shares, where all 75,654,428 shares in the company now carry the same voting rights.

VOTING RIGHTS

Every class A share confers the right to one vote and every class B share confers the right to one tenth of a vote. At a general meeting, each person entitled to vote may vote for all shares held and represented by him or her.

PREFERENTIAL RIGHTS TO NEW SHARES, ETC.

If the company resolves to issue new class A and class B shares in a cash issue or set-off share issue, holders of class A and class B shares shall have a preferential right to subscribe for new shares in the same class, in proportion to the number of shares previously held by the shareholder (primary preferential right). Shares that are not subscribed for pursuant to a primary preferential right shall be offered to all shareholders (subsidiary preferential right). If the shares offered in this manner are insufficient for the subscriptions made based on subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of shares previously held by them and insofar as this cannot be done, by the drawing of lots.

If the company decides to issue warrants or convertibles by way of a cash issue or a set-off issue, the shareholders shall have a preferential right to subscribe for warrants as if the issue involved the shares that may be subscribed for according to the warrant, or a preferential right to subscribe for convertibles as if the issue involved the shares with which the convertibles may be replaced.

The statements above shall not limit the ability to resolve on a cash issue or a set-off issue that entails a deviation from the shareholders' preferential rights.

If the share capital is increased by way of a bonus issue, new shares in each class shall be issued, in proportion to the number of shares of the same class already in issue. If this occurs, old shares in a certain share class shall confer a right to new shares in the same share class. The above statement shall not limit the ability to issue a new class of shares in a bonus issue, provided the requisite amendments are first made to the Articles of Association.

TRADING FACILITY

On February 20, 2013, Cell Impact's class B share was listed on First North, an alternative market operated by the NASDAQ OMX exchanges. First North does not have the same legal status as a regulated market. Companies listed on First North are governed by First North's rules and are not subject to the legal requirements for admission to trading on a regulated market. An investment in a company traded on First North is riskier than an investment in a company listed on a regulated market.

The class A share, which confers greater voting rights, is unlisted. The class B share is traded under the ticker symbol CI B and has the ISIN code SE0005003217.

DIVIDEND POLICY

Resolutions regarding dividends are passed by the Annual General Meeting and the payments are processed by Euroclear Sweden. To be entitled to dividends, shareholders must be registered as shareholders in the share register kept by Euroclear Sweden on the record date for the dividend that is determined by the general meeting. Dividends are generally paid by Euroclear Sweden as an amount in cash per share. If a shareholder cannot be reached for the payment of a dividend, the shareholder's claim on the company remains and is only limited by general statutes of limitation. In the event of time barring, the entire amount

HISTORIC DEVELOPMENT OF SHARE CAPITAL AS AT DECEMBER 31, 2021

		Change		Number of shares				
Year	Event	A-shares	B-shares	A-shares	B-shares	Total	Quota value	Share capital
1999	New establishment	0	3,800,000	0	3,800,000	3,800,000	1.00	3,800,000
2012	Directed share issue	0	1,200,000	0	5,000,000	5,000,000	0.10	500,000
2012	Reverse split	0	-680,574	0	4,319,426	4,319,426	0.12	500,000
2012	Conversion	72,600	-72,600	72,600	4,246,826	4,319,426	0.12	500,000
2013	Rights issue	72,600	4,246,826	145,200	8,493,652	8,638,852	0.12	1,000,000
2016	Directed share issue	0	526,000	145,200	9,019,652	9,164,852	0.12	1,060,888
2016	Rights issue	72,600	4,509,826	217,800	13,529,478	13,747,278	0.12	1,591,332
2018	Rights issue	0	4,381,218	217,800	17,910,696	18,128,496	0.12	2,098,485
2019	Directed share issue	0	4,666,636	217,800	22,577,332	22,795,132	0.12	2,638,677
2019	Rights issue	0	18,128,496	217,800	40,705,828	40,923,628	0.12	4,737,162
2019	Oversubscribed share issue	0	3,333,332	217,800	44,039,160	44,256,960	0.12	5,123,015
2019	Directed share issue	0	1,191,701	217,800	45,230,861	45,448,661	0.12	5,260,962
2020	Rights issue	0	6,393,673	217,800	51,624,534	51,842,334	0.12	6,001,069
2020	Directed share issue	0	7,000,000	217,800	58,624,534	58,842,334	0.12	6,811,362

SHARE OWNERSHIP STRUCTURE AS AT DECEMBER 31, 2021

Name	A-shares	B-shares	Ownership, %	Share of votes, %
Clearstream Banking S.A., W8IMY	-	3,134,506	5.33	5.16
Östersjöstiftelsen	-	2,995,461	5.09	4.93
Försäkringsbolaget, Avanza Pension	-	2,955,564	5.02	4.86
BNP Paribas Sec Ser Luxembourg, W8IMY	-	2,887,257	4.91	4.75
BNY Mellon SA/NV (former BNY), W8IMY	-	1,679,817	2.85	2.76
CBLUX-ERSTE Group BK AG Clients Ac	-	860,794	1.46	1.42
Kjell Östergren	47,691	710,010	1.29	1.95
Swedbank Försäkring	-	756,684	1.29	1.24
U.S. Bank National Association, W9	-	739,450	1.26	1.22
Kjell-Sonny Eriksson-Påls	-	706,720	1.20	1.16
Other:	170,109	41,198,271	70.30	70.55
TOTAL	**217,800**	**58,624,534**	**100.00%**	**100.00%**

will fall to the company. Cell Impact does not apply any restrictions or special procedures for dividends in cash to shareholders residing outside Sweden; except for any limitations imposed by the bank and clearing system, their dividends are paid in the same way as for shareholders residing in Sweden. However, shareholders who do not reside in Sweden for tax purposes are still subject to Swedish withholding tax. Except for dividends, there is no right to receive any part of the company's profits. So far, Cell Impact has not paid any dividends. There are also no guarantees that a dividend will be proposed or resolved on in any given year.

The Board of Directors of Cell Impact does not intend to propose a dividend in the near future. The intention is to reinvest any profit in the operations and use it for continued expansion.

The Board of Directors intends to review the adopted dividend policy on an annual basis.

SHARE-BASED INCENTIVE PROGRAMS

Cell Impact currently has four ongoing incentive programs of which three are aimed at senior executives and other employees and one is aimed at the members of the Board of Directors.

All of the incentive programs were adopted by the Annual General Meeting for each year and the scope of the maximum number of warrants offered was determined.

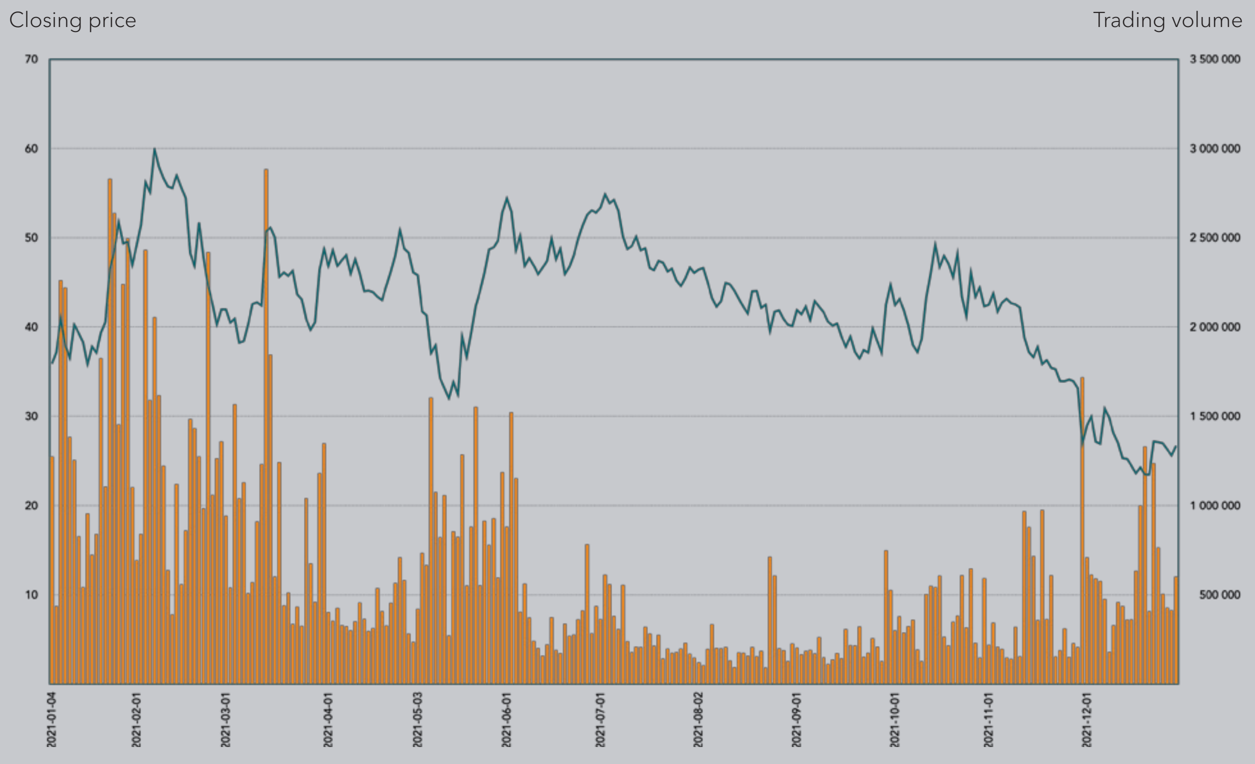
1) Program 2019/2022 for senior executives and other employees. Included 800,000 warrants.
2) Program 2020/2023 for senior executives and other employees. Included 450,000 warrants.
3) Program 2020/2024 for members of the Board. Included 450 000 warrants.
4) Program 2021/2024 for senior executives and other employees. Included 450,000 warrants.

The warrants included in the incentive programs adopted by each respective Annual General Meeting have been acquired by senior executives and other employees as well as members of the Board of Directors of the company. Subject to the restatement of the number of shares for which each warrant confers a right to subscribe, due to certain events pursuant to the terms and conditions of the warrants, the warrants entitle the participants to subscribe for the same number of B-shares in the company at a subscription price per share for each year over a fixed period.

Upon redemption of all warrants into shares, there will be a maximum dilution of 1.8 percent (based on the total number of registered shares, 75,654,428 after the issue in 2021).

As a result of the rights issue carried out in December 2021, the subscription price and the number of shares to which warrantholders are entitled have been recalculated in accordance with the terms (see Note 12).

Share trend, 2021



BOARD OF DIRECTORS

ROBERT SOBOCKI

Chairman since 2020

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

Main employment:
Member of the Board of five companies, of which Chairman of four.

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

THOMAS CARLSTRÖM

Member since 2017

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

Main employment:
Own consulting company. Current board positions at BoMill and Rototest International.

Education:
Degree in mining and metallurgical engineering from the Royal Institute of Technology (KTH).

ANNA FRICK

Member since 2020

Born in 1968. Has over 20 years of experience as a marketing manager and consultant in communication, strategy and digital transformation, both nationally and internationally.

Main employment:
Board member at seven listed companies (Fortnox AB, Leo Vegas AB, Lohilo Foods AB, Transfer Group AB, Sensec AB and MedHelp Care AB) and three unlisted companies.

Education:
Master's degree from the Stockholm School of Economics (HHS) with a specialization in marketing and financing.

MATTIAS SILFVERSPARRE

Member since 2021

Born in 1972. Over 25 years of business development experience as a management consultant and from investment companies.

Main employment:
Several board memberships and investment activities.

Education:
MSc in Industrial Engineering and Management from Chalmers University of Technology, MSc in Economics and BSc in Law from School of Business, Economics and Law in Gothenburg.

MIKAEL EURENIUS

Member since 2021

Born in 1968. Extensive experience from legal proceedings in Swedish courts combined with over 20 years of experience of corporate and international business law. Previous board member of Scania Finans AB.

Main employment:
Legal counsel at Scania Group, employed by Scania CV AB.

Education:
Master of Laws from Stockholm University.

MANAGEMENT TEAM

PÄR TEIKE
Chief Executive Officer (CEO) since 2017
Born in 1962. Broad and extensive experience from senior positions within SKF, Getinge and Elos Medtech, mainly in Asia.
Education:
BSc in Economics, Karlstad University.
Further education at Gustavus Adolphus College, MN, USA, and Kansai University of Foreign Studies, Japan.

STEFAN AXELLIE
Chief Financial Officer (CFO) since 2020
Born in 1964. Extensive experience as controller and financial officer at companies including Frantschach Coating and Atlas Copco. Most recently Vice President and CFO at Würth Svenska AB.
Education:
BSc in Economics and Administration from Örebro University.

DANIEL VALLIN
Chief Operating Officer (COO) since 2021
Born in 1977. Extensive industrial experience as Production Manager for in-vehicle batteries and Quality Manager for transmission manufacturing at Scania CV AB.
Education:
MSc in Engineering from Luleå University of Technology.

ANDERS ÖBERG
Chief Technology Officer (CTO) since 2018
Born in 1965. Previously CTO at Imatra Tooling AB and Bharat Forge Kilsta AB.
Education:
Design and production engineer.

TORD LÄTT
Chief Project Officer (CPO) since 2021
Born in 1966. Several leadership positions and board assignments at industrial production companies, including CEO of Spicer Nordiska Kardan.
Education:
MSc in Mechanical Engineering from Chalmers University of Technology. Executive MBA, Mgruppen.

SUSANNA SUNDSTRÖM
Quality Manager since 2021
Born in 1971. Substantial experience in quality processes including Valeo Engine Cooling AB and Saint-Gobain Scanspac.
Education:
MSc in Engineering from Blekinge Institute of Technology.

KARINA SICK LARSSON
Chief Human Resources Officer (CHRO) since 2021
Born in 1972. 20+ years of experience in operational and strategic HR within mid-sized organizations with a focus on growth and business development.
Education:
BSc in Organizational Development and Human Resources from Karlstad University.
Executive Master of Human Resources from M-gruppen.

INTERNATIONAL MANAGEMENT

ACHIM ZEISS
Area Manager Europe since 2017
Born in 1951. Extensive experience from the German automotive industry. CEO of Danly Germany for 10 years and DADCO Europe for 22 years.
Education:
Engineer.

SHIGERU NAKAGAWA
Managing Director, Cell Impact Japan Inc. since 2021
Born in 1965. Extensive business development experience as Executive Officer of New Business Development at Nakanishi Metal Works Co. and Director at Mitsui Sumitomo Insurance Co.
Education:
Law degree from Doshisha University, Japan.

FORREST ZHANG
Country Manager, China since 2021
Born in 1972. Experience from leadership positions at ASSA ABLOY Crawford, Getinge and Beckman Coulter in China.
Education:
Automation engineer from Northeastern University, China.

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2021

The Board of Directors and the CEO present the following annual accounts and consolidated financial statements.

CONTENTS

Unless otherwise stated, all amounts are in SEK thousands. Figures in parentheses refer to the previous year.

ADMINISTRATION REPORT

The Board of Directors and the CEO of Cell Impact AB (publ), corporate identity number 556576–6655, hereby present the annual accounts and consolidated financial statements for the 2021 financial year. The following income statements and balance sheets, statements of changes in equity, statements of cash flows and notes are an integrated part of the annual accounts and have been reviewed by the company's auditors.

INFORMATION ON CELL IMPACT'S OPERATIONS

Cell Impact AB (publ) is a global supplier that develops and manufactures flow plates, primarily for use within the fuel cell and hydrogen industry. The company has developed and patented a unique method for high-velocity adiabatic forming, which has been trademarked since 2020 as Cell Impact Forming™. This process makes it possible to manufacture flow plates with advanced patterns cost-efficiently, which in turn results in more cost and energy-efficient fuel cells than with conventional forming methods. Cell Impact is listed on Nasdaq First North with FNCA Sweden AB as its Certified Advisor (CA).

GROUP STRUCTURE

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

SIGNIFICANT EVENTS IN THE FINANCIAL YEAR

Strengthening the organization and expertise

The work on strengthening the company's organization continued during the financial year when new orders were signed and production activity increased.

During the year, Cell Impact strengthened the company's organization and management by recruiting Daniel Vallin as COO and Karina Sick Larsson as CHRO who both started during the third quarter. Cell Impact has also used recruiting to strengthen its knowledge base in several areas of expertise, thus contributing to further developing production capacity for future increases in volume.

Within the framework of the company's Phase 2 project, Cell Impact has started renovating an additional 2,500 m^2 of factory space – a doubling of the current premises. The premises will be adapted to the needs of the business and equipped with the machinery required to manufacture high-quality flow plates based on Cell Impact's patented production method Cell Impact Forming™. This new space will be gradually put into use from the beginning of 2022.

During the quarter, the company's orders for flow plates scheduled for delivery in 2022 increased. Cell Impact is entering a new year with a robust order book that will occupy a significant share of the company's production capacity in 2022. The order book also contains a number of new tool projects for new flow plates intended for prototype series. This is extremely gratifying and testament to the hard work put in by everyone in the organization.

At the beginning of 2021, Cell Impact faced a situation where demand exceeded production capacity. But after building up capacity, the company has caught up and achieved a better balance. Today, there is surplus capacity as demand currently looks, making it possible for the company to satisfy additional demand from current and prospective customers relatively quickly.

The first delivery of production equipment to Plug Power went as planned during the fourth quarter, despite disruptions caused by the Covid-19 pandemic. Due to travel restrictions, Cell Impact carried out acceptance tests digitally and traditional meetings were replaced by video conferencing. The last delivery of equipment is somewhat delayed and will take place during the first quarter of 2022.

During the year, the company significantly strengthened its cash flow through a rights issue of SEK 349 million (before issue costs).

Issues that were decided during the year but were completed after the end of the financial year are only reported by the Parent Company, as according to the Parent Company's reporting standards, issues are regarded as completed as at the subscription date. Compared with the Parent Company, cash issues are not considered to be completed until the proceeds from the issue have been paid in, in accordance with IFRS. Only SEK 20.0 million (in bridge financing) of the proceeds from the issue had been paid in as at the balance sheet date. The net proceeds will be used to finance the company's existing day-to-day operations, investments in preparing additional production space and in new production equipment to ensure increased production capacity and capabilities as well as for other business purposes. Together with existing cash, proceeds from the issue are expected to be sufficient to finance the company's business plan until the middle of 2023.

Commercial successes

Over the year, Cell Impact secured several significant orders from customers in North America, China and Japan. All orders received are regarded as continued steps in our long-term cooperation with customers.

These customers are considered to be prominent and established companies in their respective market segments that make major investments in fuel cells and electrolysis. The company has focused its relatively limited resources on a small number of customers and prospective customers to carry out the projects that will satisfy customers and deliver the right results while developing Cell Impact's offering.

The fuel cell market is developing well, and Cell Impact's offering is timely and addresses the industry's need for cost efficiency and scalability. The new orders received prove that Cell Impact is now considered an important future supplier of flow plates in this value chain.

Orders secured over the year include:

- March 2021: Plug Power Inc. places order for SEK 42 million for Cell Impact Forming™ production equipment and flow plates.
- March 2021: Nowogen Technology places SEK 1.3 million order for serial production of flow plates.
- July 2021: Cell Impact Japan Inc. receives order worth SEK 5.3 million as part of the partnership with NKC.

Process and automation development

During the financial year, the company's factory in Karlskoga focused largely on filling the orders received. Important progress was made regarding the continued commissioning of new equipment and a production line (Cell Impact Forming™ Generation 2), which is faster, more efficient and requires less space. To achieve production that is competitive and leading in the long term, several process and automation development projects have been defined. These steps mainly address downstream manufacturing processes and the choice of smart technology that fits into a flow-based production system. These projects will result in a production system that allows the manufacturing of greater volumes at a lower cost. The projects will require additional talents, which is why the company started a recruiting program in 2020 that continued through 2021.

SALES AND PERFORMANCE

Cell Impact's total revenue amounted to SEK 81.8 (29.3) million for the financial year, which is an increase of 179 percent. The rise was in part due to the execution of the company's major customer projects that continued during 2020 and 2021 as well as due to new orders received in 2021. The operating loss was SEK -78.0 (-43.1) million. The negative operating result is due, among other things, to the significant investments in premises, equipment and personnel that was made to enable continued growth and preparations for increased volume capacity for expected orders in 2022 (see Five-year summary, Group, below).

CASH AND FINANCIAL POSITION

Since the turn of the year in 2020, equity dropped by SEK 59.3 million, from SEK 201.9 million to 142.6 MSEK. The decrease is chiefly related to increased operating costs and production-related investments.

In December, the company carried out a rights issue that was completed in January 2022 and that

FIVE-YEAR SUMMARY, GROUP

	2021	2020	2019	2018	2017
Income (SEK thousand)	81,800	29,309	11,920	6,564	1,536
Profit/loss after financial items (SEK thousand)	-79,730	-44,258	-48,401	-44,532	-18,260
Total assets (SEK thousand)	238,725	-242,875	58,037	-38,111	29,552
Debt/equity ratio (%)	59.7%	83.1%	77.6%	49.2%	76.6%

contributed SEK 348.9 million to the company excluding issue expenses of approximately SEK 45.3 million. Issues that were decided during the year but are completed after the end of the financial year are only reported by the Parent Company, as according to the Parent Company's reporting standards, issues are regarded as completed as at the subscription date. Compared with the Parent Company, cash issues are not considered to be completed until the proceeds from the issue have been paid in, in accordance with IFRS.

Only SEK 20.0 million (in bridge financing) of the proceeds from the issue had been paid in as at the balance sheet date. For more information, see Note 29. As at December 31, cash and cash equivalents totaled SEK 28.6 million (151.9). On the balance sheet date, cash and cash equivalents did not include proceeds from the issue that the company received in January 2022. Pro forma cash and cash equivalents, including proceeds from the issue and deductions for issue expenses, amounted to SEK 314.8 million.

Cash flows from operating activities before the change in working capital totaled SEK -69.3 million during the year, mainly due to the loss. The change in working capital was negative at SEK -16.7 million, and investments of SEK -54.3 million were made during the year.

The company's cash and cash equivalents fell by SEK -123.3 million during the year, from SEK 151.9 million to SEK 28.6 million.

RESEARCH AND DEVELOPMENT

Cell Impact's research and development activities are focused on further developing the company's forming and downstream manufacturing processes, mainly to raise productivity through shorter cycle times and more automated production. The cost for these types of development activities was included in the total costs for the year. No costs were capitalized during the year as intangible assets in the Group's balance sheet.

EMPLOYEES AND INCENTIVE PROGRAMS

Employees

The total number of employees during the year was 106 (36) of which 41 (21) were women.

Staff costs during the year totaled SEK -62.4 million (-28.9 MSEK). The increase in payroll expenses compared with the previous year is mainly due to the higher average number of employees during the year, which was 78 (36).

Incentive programs

Cell Impact has an outstanding warrant program, under which employees and others have purchased warrants, see also Note 12.

RISKS AND UNCERTAINTIES

Uncertainty regarding future market developments

The company develops, manufactures and markets flow plates, primarily for use within the fuel cell and hydrogen industry, and pursues compatible activities. The company's innovative technology has many areas of application; at present, the production of flow plates for fuel cells is the foremost of them.

There is a risk that Cell Impact's flow plates and manufacturing methods will not be widely accepted in the market. The market may come to prefer other more established technologies, and other new technologies may be developed. Also, market segments may develop more slowly or not develop as well as Cell Impact has assumed in its priority of customer segments.

The market for hydrogen may also be affected by political decisions in the energy sector in ways that Cell Impact has not anticipated. It is unavoidable that assessments of future market developments entail uncertainty regarding factors that Cell Impact cannot control, and it is impossible at this stage to know how large a market share Cell Impact is likely to gain in the market for flow plates for fuel cells. It cannot be precluded that the fuel cell market may develop in a direction that is unfavorable for Cell Impact due to changed behavior among other operators and end customers, technological developments, environmental aspects, structural transactions or other external factors. Such a course of events may undermine Cell Impact's position and have a negative material impact on Cell Impact's operations and performance.

Suppliers and partners

Cell Impact can only deliver its products if input goods/components and services (for example, transport) from third parties meet the agreed requirements on quantity, quality and delivery dates. The lack of availability for certain components and transport services has, for example, been a consequence of the Covid-19 pandemic. Incorrect or missed deliveries from suppliers or carriers may lead to Cell Impact's production being delayed or deliveries not being possible, which in the short term may result in reduced or no sales. If current or future external parties do not meet their commitments or remain within the expected time frame, ongoing production and sales may be disrupted, delayed or completely suspended, which could have a negative impact on Cell Impact's sales, financial position and future prospects.

Dependency on key people and employees

Cell Impact has a relatively small organization and is dependent on the Board, Management Team and other key people's knowledge, experience and engagement. Cell Impact's ability to recruit and retain such people depends on several factors, some of which are outside Cell Impact's control, e.g. competition in the market. The loss of a senior executive or key person due to a resignation, for example, may lead to a loss of key knowledge, the inability to meet set goals or a negative impact on Cell Impact's business strategy. If existing key people leave Cell Impact or if Cell Impact is unable to employ or retain qualified and experienced management or key people, there may be interruptions or disruptions in Cell Impact's development and growth.

Dependency on customers
Cell Impact currently has a limited number of customers and the ability to generate orders is therefore mainly limited to these. Cell Impact's sales and performance may be adversely affected if one or several customers chose to terminate their development efforts, became insolvent or chose a different supplier.

Competition
There is a risk that an extensive investment in the development of products and methods within the same area in which Cell Impact operates, by one or more competitors, could have a negative effect on Cell Impact's sales. In addition, there is the risk that competing products may prove to be more efficient, safer and/or cheaper than those that Cell Impact develops and manufactures. Competitors with significantly greater financial, technical and human resources may also drive more efficient development, manufacturing and sales processes. Cell Impact's competitors may also have access to greater capacity for marketing and distribution than Cell Impact. In the event that Cell Impact is unable to adapt its operations and products to the market's requirements for performance and demand, there is a risk that Cell Impact may not or will not be able to maintain the competitiveness required to achieve success in the market. This in turn can have a significant negative impact on Cell Impact's operations, financial position and performance.

Technological development risk
The market for and the technical development of flow plates for the fuel cell and the hydrogen industry as a whole may undergo rapid and significant changes. This could lead to technical problems, which means that it could take longer to develop and manufacture products, making it take longer to get products to market. If the company's production is delayed or completely absent as a result, this may mean a reduction in or no sales, which may have a significant negative impact on Cell Impact's operations, financial position and performance.

Product and service risk
Cell Impact's products and services are generally supplied within the scope of customer-specific development in close cooperation with the customer. This cooperation is based on the parties solving any technical problems in consultation. In the longer term, Cell Impact intends to deliver products where technical performance is guaranteed. In the event that Cell Impact's products contain errors or deficiencies, it may lead to liability for damages, which could have a significant negative impact on the company's operations, financial position and performance.

Ability to manage growth
Cell Impact's operations may grow substantially due to a sudden and unexpected increase in demand for the company's products, which could make heavy demands on the management as well as on operations and financial infrastructure. As the number of employees and the company's operations continue to grow, Cell Impact must implement efficient planning and management processes to carry out its business plan effectively in a rapidly evolving market. The Board of Directors is aware that a rapid and strong market response may lead to delivery problems for the company. If Cell Impact cannot handle this, it may have a negative material impact on the company's operations, financial position and performance.

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

Patents
Cell Impact is exposed to the risk of patent infringements and plagiarism. There are no guarantees that Cell Impact will be able to protect its patents, trademarks and other intellectual property rights or that submitted applications for registration will be granted. There is a risk that new technologies and products will be developed that circumvent or replace Cell Impact's intangible assets. Cell Impact also cannot guarantee that it will never be considered to infringe on someone else's intellectual property rights. Just as with disputes in general, infringement disputes may be costly and time-consuming and could therefore have a negative material impact on Cell Impact's operations, financial position and performance.

Confidentiality and know-how
Cell Impact is dependent on confidentiality and know-how to carry out its operations. Should employees, consultants, advisors or other persons hired act in breach of confidentiality agreements regarding confidential information, or should confidential information be otherwise disclosed and exploited by competitors, it could have a material adverse effect on Cell Impact's operations, performance and financial position.

Taxes
Cell Impact has sales to several markets outside Sweden. Cell Impact's operations therefore require good routines regarding accounting, follow-up and payment of taxes, duties and fees, and non-compliance in these respects can have negative consequences for the company's operations. Cell Impact's assessment and compliance with tax laws, international tax treaties and regulations may prove to be incorrect. Through the decisions of the relevant tax authorities, Cell Impact's previous or current tax situation may deteriorate, which may have a negative impact on the company.

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

Credit risk
Cell Impact normally gives customers a 30 to 60-day credit period and may be negatively impacted by customers' insolvency or bankruptcy. Cell Impact is exposed to the risk that customers may not pay for ordered products or services, or that they may pay later than expected. The risk may increase during periods of economic downturn or uncertainty. This, in turn, can have a significant negative impact on Cell Impact's operations, performance and financial position.

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

Disputes
There is a risk that Cell Impact may become involved in a legal dispute or other legal proceeding. Such disputes may, for example, relate to alleged intellectual property infringement, the validity of certain patents or other commercial issues. Disputes and claims can be time-consuming, disrupt operations, relate to significant financial amounts or fundamentally important issues and entail significant costs, and can thus have a significant negative impact on Cell Impact's operations, performance and financial position.

At the moment, Cell Impact is involved in one ongoing dispute. The background is that in 2019, Nasdaq First North Growth Market in Stockholm reported Cell Impact to the Disciplinary Committee of Nasdaq Stockholm because when communicating to the market, the company failed to mention the name of a customer in an order. The Disciplinary Committee of Nasdaq Stockholm accepted Cell Impact's explanation; however, the Financial Supervisory Authority has subsequently notified Cell Impact that it may investigate the matter in addition to the investigation carried out by the Disciplinary Committee of Nasdaq Stockholm. It is Cell Impact's assessment that the Financial Supervisory Authority is awaiting a ruling on a similar issue in the administrative court for guidance for possible action.

OWNERSHIP STRUCTURE AND SHARES
The number of registered A-shares in Cell Impact is 217,800 and the number of registered B-shares is 58,624,534. The total number of votes in the company amounts to 6,080,253, as the A-shares confer a right to one vote per share while the B-shares confer a right to 1/10 vote per share. The total number of shares in Cell Impact, including both A and B-shares, is 58,842,334 shares. The company's registered share capital amounted to 6 811 362 SEK as per December 31, 2021. The shares have a quota value of approximately 0.12 SEK. When the rights issue was carried out in December, an additional 16,812,094 shares were subscribed for, corresponding to share capital of SEK 1,946,103. The shares were registered by the Swedish Companies Registration Office in January 2022 and are reported as unsubscribed share capital in the balance sheet as at December 31, 2021.

PARENT COMPANY
Cell Impact's total revenue amounted to SEK 81.5 (29.3) million for the financial year, which is an increase of 178 percent. The rise was in part due to the execution of the company's major customer projects that continued during 2020 and 2021 as well as thanks to new orders received in 2021. The operating loss was SEK -78.0 (-43.1) million. The negative operating result is due, among other things, to the significant investments in premises, equipment and personnel that was made to enable continued growth and preparations for increased volume capacity for orders expected in 2022. (See Five-year summary, Parent Company, on the next page.)

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

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

Variable salary and pension
Remuneration to the CEO consists of a base salary and the opportunity to receive a bonus of no more than six months' salary per year. The payment of a bonus is at the discretion of the Board of Directors. The CEO is also entitled to pension provisions corresponding to 30 percent of the base salary. The retirement age is 65.

Fringe benefits
Fringe benefits are offered to a limited extent, mostly in the form of company cars and insurance for the Management Team.

Notice periods and severance pay
If the company terminates the CEO for any other reason than because the CEO has grossly neglected his or her duties, the CEO is entitled to severance pay corresponding to six times the base salary (monthly salary), which will be paid over six months. However, severance pay is not payable in case of retirement. The CEO is bound by a non-compete clause that applies for 12 months after the end of employment. If the company invokes the non-compete clause, the CEO shall receive remuneration of no more than 60 percent of the previous monthly salary over the 12-month period (during the period for which the non-compete is invoked). However, no remuneration shall be payable for the period when severance pay is provided.

Investments
Investments made during the year amounted to SEK 54,702 (21,963) thousand for the Parent Company and SEK 54,324 (21,963) thousand for the Group.

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

SIGNIFICANT EVENTS IN 2022

Covid-19 pandemic
At the time of submitting this annual report, and based on current knowledge, the Board of Directors of Cell Impact AB (publ.) has the following view of how the Covid-19 pandemic is impacting, and will likely continue to impact, the company's operations. At present, the company has adapted production and delivery to the prevailing situation. Furthermore, the company sees no major risk of delayed deliveries of, for example, input goods or components.

Conversion of Class A shares
After the balance sheet date, December 31, 2021, at the request of the A-shareholders, all A-shares in Cell Impact were converted into B-shares. Cell Impact now has only B-shares, where all 75,654,428 shares in the company now carry the same voting rights.

Conflict in Ukraine
The company has not been directly affected by the ongoing conflict in Ukraine. However, it is not unlikely that both raw materials and energy prices as well as the availability of components may be impacted, depending on how the conflict develops.

FIVE-YEAR SUMMARY, PARENT COMPANY

	2021	2020	2019	2018	2017
Net sales (SEK thousand)	71,467	29,309	11,919	6,564	1,536
Profit/loss after financial items (SEK thousand)	-79,312	-43,372	-48,333	-44,532	-18,260
Total assets (SEK thousand)	508,034	227,227	57,712	38,111	29,552
Debt/equity ratio (%)	83.5%	88.0%	77.1%	49.2%	76.6%

PROPOSED APPROPRIATION OF PROFITS, PARENT COMPANY

The following profits are at the disposal of the Annual General Meeting (SEK)	
Share premium reserve	670,401,874
Retained earnings	-180,460,351
Profit/loss for the year	-79,311,664
	410,629,859

The Board of Directors and the CEO propose that SEK 410,629,859 be carried forward.

DIVIDEND

The Board of Directors proposes that no dividend be paid for the 2021 financial year. The Board of Directors and the CEO propose that SEK 410,629,859 be carried forward.

PERFORMANCE AND POSITION

The profit/loss of the Group and the Parent Company's operations and the financial position at year-end are otherwise apparent from the following income statements and balance sheets with accompanying notes.

CONSOLIDATED INCOME STATEMENT

(SEK thousand)	Note	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Revenue	6, 7, 8	71,347	29,309
Other operating income	7	10,453	–
Total revenue		**81,800**	**29,309**
Operating expenses			
Raw materials and consumables		-46,923	-10,173
Other external expenses	9, 10	-40,310	-26,399
Payroll expenses	11, 12	-62,366	-28,875
Depreciation and amortization	17, 18, 19, 20, 21	-10,193	-6,721
Other operating expenses		-47	-196
Total operating expenses		**-159,839**	**-72,364**
Operating profit/loss		**-78,040**	**-43,055**
Financial income	13	–	25
Financial expenses	14	-1,690	-1,228
Net finance income		**-1,690**	**-1,203**
Profit/loss before tax		**-79,730**	**-44,258**
Tax on profit for the year	15	-122	-
Profit/loss for the year attributable to the Parent Company's shareholders		**-79,853**	**-44,258**
Earnings per share, before and after dilution	16	-1.35	-0.88

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK thousand)	Note	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Profit/loss for the year		-79,853	-44,258
Other comprehensive income			
Items that have been or may be transferred to profit/loss for the period			
Translation differences for the year in the translation of foreign operations		4	–
Other comprehensive income for the period after tax		4	–
Comprehensive income		**-79,849**	**-44,258**
Comprehensive income for the year attributable to Parent Company's shareholders		**-79,849**	**-44,258**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(SEK thousand)	Note	2021-12-31	2020-12-31
ASSETS			
Non-current assets			
Patents, licenses and software	17	666	76
Capitalized development costs	18	4,796	5,155
Leasehold improvements	19	7,595	6,469
Plant and machinery	20	50,985	24,964
Equipment, tools, fixtures and fittings	21	4,019	2,040
Right-of-use assets	10	13,720	15,904
Assets under construction	22	29,196	10,972
Other non-current liabilities	24	12	-
Total non-current assets		**110,989**	**65,580**
Current assets	24		
Raw materials and consumables		9,734	6,174
Work in progress		9,651	2,177
Finished goods inventory		2,540	0
Trade receivables	5, 25	4,712	10,137
Accrued income not yet invoiced	23	19,399	682
Other current receivables	26	6,580	4,811
Prepaid expenses and accrued income	27	46,558	1,385
Cash and cash equivalents	28	28,561	151,929
Total current assets		**127,736**	**177,295**
TOTAL ASSETS		**238,725**	**242,875**

(SEK thousand)	Note	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
Equity	29		
Share capital		6,811	6,811
Unregistered share capital		1,946	0
Other contributed capital		407,119	388,476
Retained earnings including profit for the year		-273,251	-193,399
Total equity attributable to the Parent Company's shareholders		**142,625**	**201,888**
Non-current liabilities			
Liabilities to credit institutions		3,929	4,643
Lease liabilities	10, 30	12,146	13,989
Total non-current liabilities		**16,075**	**18,632**
Current liabilities	24		
Liabilities to credit institutions		714	1,214
Lease liabilities	10, 30	2,723	2,132
Trade payables	5	15,103	9,582
Other current liabilities		2,702	1,004
Invoiced income not yet accrued	31	3,300	2,037
Accrued expenses and deferred income	32	55,482	6,385
Total current liabilities		**80,025**	**22,355**
TOTAL EQUITY AND LIABILITIES		**238,725**	**242,875**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK thousand)	Note	Share capital	Unregistered share capital	Other contributed capital	Reserves	Retained earnings including profit for the year	Total
Equity, opening balance, as at Jan 1, 2020		**5,261**	**-**	**188,933**	**-**	**-149,140**	**45,054**
Profit/loss for the year		–	–	-	–	-44,258	-44,258
Other comprehensive income for the year		–	–	-	–	-	–
Total comprehensive income for the year						**-44,258**	**-44,258**
Owner-related expenses:							
New issue of shares		810	–	174,190	–	-	175,000
Exercising of share warrants		740	–	37,622	–	-	38,362
Issue costs			–	-14,565	–	-	-14,565
Received option premiums	12		–	2,295	–	-	2,295
Total transactions with owners		**1,550**	**-**	**199,542**	**-**	**-**	**201,092**
Equity, closing balance, as at Dec 31, 2020		**6,811**	**-**	**388,475**	**-**	**-193,398**	**201,888**
Equity, opening balance, as at Jan 1, 2021		**6,811**	**-**	**388,475**	**-**	**-193,398**	**201,888**
Profit/loss for the year		–	-	-	–	-79,853	-79,853
Other comprehensive income for the year		–	-	-	4	–	4
Total comprehensive income for the year		**-**		**-**	**4**	**-79,853**	**-79,849**
Transactions with owners:							
New issue of shares		–	1,946	18,054	–	-	20,000
Received option premiums	12	–	–	585	–	-	585
Total transactions with owners		**-**	**1,946**	**18,639**	**-**	**-**	**20,585**
Equity, closing balance, as at Dec 31, 2021	29	**6,811**	**1,946**	**407,114**	**4**	**-273,251**	**142,625**

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

CONSOLIDATED CASH FLOW STATEMENT

(SEK thousand)	Note	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Current operations			
Operating profit/loss		-78,040	-43,055
Adjustments for non-cash items	28	10,012	6,796
Interest received		–	25
Interest paid		-1,190	-1,202
Taxes paid		-122	–
Cash flow from operating activities before changes in working capital		**-69,340**	**-37,437**
Cash flows from changes in working capital			
Increase/decrease in inventories		-13,574	-6,264
Increase/decrease in trade receivables		5,426	-7,941
Increase/decrease in other current receivables		-65,646	-3,315
Increase/decrease in trade payables		5,521	3,067
Increase/decrease in operating liabilities		51,538	4,296
Cash flows from operating activities		**-86,075**	**-47,594**
Investing activities			
Investments in intangible assets		-1,338	–
Investments in property, plant and equipment		-52,974	-22,043
Investments in financial assets		-12	–
Disposals of property, plant and equipment		–	80
Cash flows from investing activities		**-54,324**	**-21,963**

(continued)	Note	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Financing activities			
New issue of shares		20,000	175,000
Issue costs		–	-14,564
Exercising of share warrants		–	38,362
Received option premiums		585	2,295
Borrowings		–	4,974
Repayment of loans		-1,214	-286
Repayment of lease liabilities		-2,365	-1,208
Cash flows from financing activities		**17,007**	**204,573**
Cash flow for the year		**-123,392**	**135,017**
Cash and cash equivalents at the beginning of the period		151,928	16,911
Currency deviation, cash and cash equivalents		23	–
Cash and cash equivalents at end of the year	28	**28,560**	**151,928**

THE PARENT COMPANY'S INCOME STATEMENT

(SEK thousand)	Note	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Net sales	6,7,8	71,467	29,309
Other operating income	7	10,014	–
Total revenue		**81,481**	**29,309**
Operating expenses			
Raw materials and consumables		-46,924	-10,173
Other external expenses	9, 10	-45,812	-28,131
Payroll expenses	11, 12	-60,479	-28,875
Depreciation and amortization	17, 18, 19, 20, 21	-6,730	-5,107
Other operating expenses		-56	-188
Total operating expenses		**-160,000**	**-72,473**
Operating profit/loss		**-78,519**	**-43,164**
Profit/loss from financial items			
Other interest income and similar profit/loss items	13	–	25
Interest expenses and similar profit/loss items	14	-793	-233
Loss after financial items		**-79,312**	**-43,372**
Tax on profit for the year	15	–	–
Profit/loss for the year		**-79,312**	**-43,372**

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

(SEK thousand)	Note	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Profit/loss for the year		-79,312	-43,372
Other comprehensive income		–	–
Total loss for the year after tax		**-79,312**	**-43,372**
Loss attributable to the shareholders of the Parent Company		**-79,312**	**-43,372**

THE PARENT COMPANY'S BALANCE SHEET

(SEK thousand)	Note	2021-12-31	2020-12-31
ASSETS			
Subscribed share capital not paid	29	**328,851**	–
Non-current assets			
Intangible assets			
Patents, licenses and software	17	666	76
Capitalized development costs	18	4,796	5,155
Total intangible assets		**5,462**	**5,231**
Property, plant and equipment			
Leasehold improvements	19	7,595	6,469
Plant and machinery	20	50,985	24,964
Equipment, tools, fixtures and fittings	21	4,019	2,040
Assets under construction	22	29,196	10,972
Total property, plant and equipment		**91,795**	**44,445**
Financial assets			
Participations in Group companies	35	462	72
Total financial assets		**462**	**72**
Total non-current assets		**97,719**	**49,748**
Current assets			
Inventories			
Raw materials and consumables		9,734	6,174
Work in progress		9,651	2,177
Finished goods inventory		2,540	0
Total inventories		**21,925**	**8,351**
Current receivables			
Trade receivables	25	4,694	10,137
Accrued income not yet invoiced	23	19,399	682
Receivables from Group companies	34	4,079	–
Other current receivables	26	6,601	4,807
Prepaid expenses and accrued income	27	1,914	2,039
Total current receivables		**36,687**	**17,665**
Cash and bank balances	28	22,851	151,463
Total current assets		**81,464**	**177,480**
TOTAL ASSETS		**508,034**	**227,227**

(SEK thousand)	Note	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
Equity	29		
Restricted equity			
Share capital		6,811	6,811
Unregistered share capital		1,946	0
Development expenditure reserve		4,797	5,155
		13,554	**11,966**
Non-restricted equity			
Share premium reserve		670,402	368,779
Retained earnings		-180,460	-137,447
Profit/loss for the year		-79,312	-43,372
		410,630	**187,960**
Total equity		**424,184**	**199,926**
Non-current liabilities			
Liabilities to credit institutions	30	3,929	4,643
Liabilities to Group companies	34	2,500	2,463
Total non-current liabilities		**6,428**	**7,106**
Current liabilities			
Liabilities to credit institutions	30	714	1,214
Trade payables		15,103	9,582
Other current liabilities		2,677	1,004
Invoiced income not yet accrued	31	3,300	2,037
Accrued expenses and deferred income	32	55,627	6,358
Total current liabilities		**77,422**	**20,195**
TOTAL EQUITY AND LIABILITIES		**508,034**	**227,227**

THE PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

	Restricted equity			Non-restricted equity			
(SEK thousand)	Share capital	Unregistered share capital	Development expenditure reserve	Share premium reserve	Retained earnings	Profit/loss for the year	Total
Equity, opening balance, as at Jan 1, 2020	**5,261**	**-**	**6,024**	**171,532**	**-89,982**	**-48,333**	**44,502**
Transfer of profit/loss from the previous year	–	–	–	–	-48,333	48,333	–
Development expenditure reserve	–	–	-869	–	869	–	–
Profit/loss for the year	–	–	–	–	–	-43,372	-43,372
Other comprehensive income for the year	–	–	–	–	–	-	–
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-43,372**	**-43,372**
Transactions with owners:							
New issue of shares	810	–	–	174,190	–	–	175,000
Exercising of share warrants	740	–	–	37,622	–	–	38,362
Issue costs	–	–	–	-14,563	–	–	-14,563
Total transactions with owners	**1,550**	**-**	**-**	**197,249**	**-**		**198,799**
Equity, closing balance, as at Dec 31, 2020	**6,811**	**-**	**5,155**	**368,779**	**-137,446**	**-43,372**	**199,926**
Equity, opening balance, as at Jan 1, 2021	**6,811**	**-**	**5,155**	**368,779**	**-137,446**	**-43,372**	**199,926**
Transfer of profit/loss from the previous year	–	–	–	–	-43,372	43,372	–
Development expenditure reserve	–	–	-359	–	359	–	–
Profit/loss for the year	–	–	–	–	–	-79,312	-79,312
Other comprehensive income for the year	–	–	–	–	–	-	–
Total comprehensive income for the year	**-**		**-**	**-**	**-**	**-79,312**	**-79,312**
Transactions with owners:							
New issue of shares	–	1,946	–	346,905	–	–	348,851
Issue costs	–	–	–	-45,282	–	–	-45,282
Total transactions with owners	**-**	**1,946**	**-**	**301,623**	**-**	**-**	**303,569**
Equity, closing balance, as at Dec 31, 2021	**6,811**	**1,946**	**4,796**	**670,402**	**-180,459**	**-79,312**	**424,184**

THE PARENT COMPANY'S STATEMENT OF CASH FLOWS

(SEK thousand)	Note	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Current operations			
Operating profit/loss		-78,519	-43,164
Adjustments for non-cash items	28	6,730	5,181
Interest received		–	25
Interest paid		-256	-186
Cash flow from operating activities before changes in working capital		**-72,045**	**-38,145**
Changes in working capital			
Increase/decrease in inventories		-13,574	-6,264
Increase/decrease in trade receivables		5,443	-7,941
Increase/decrease in other current receivables		-24,465	-3,762
Increase/decrease in trade payables		5,521	3,065
Increase/decrease in operating liabilities		9,619	4,288
Cash flows from operating activities		**-89,502**	**-48,759**
Investing activities			
Investments in intangible assets		-1,338	–
Investments in property, plant and equipment		-52,974	-22,043
Acquisition of subsidiaries		-390	–
Proceeds from the sale of property, plant and equipment	21	–	80
Cash flows from investing activities		**-54,702**	**-21,963**
Financing activities			
New issue of shares		20,000	175,000
Issue costs		-3,194	-14,563
Exercising of share warrants		–	38,362
Borrowings		–	6,974
Repayment of loans		-1,214	-286
Cash flows from financing activities		**15,591**	**205,488**
Cash flow for the year		**-128,612**	**134,765**
Cash and cash equivalents at the beginning of the period		151,463	16,698
Cash and cash equivalents at end of the year	28	**22,851**	**151,463**

NOTES TO THE CONSOLIDATED ACCOUNTS AND THE PARENT COMPANY'S FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

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

The Parent Company is listed on First North. The Board of Directors of Cell Impact AB (publ) approved these consolidated accounts for publication on March 24, 2022.

The Group and Parent Company's income statement and balance sheet will be submitted to the Annual General Meeting on April 21, 2022 for adoption.

NOTE 2 ACCOUNTING AND VALUATION PRINCIPLES

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

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

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

New or amended accounting standards during the financial year

No amended standards and interpretations from the IASB and statements from IFRIC that entered into force during the 2021 financial year have had a material impact on the Group's financial reports. No new or amended standards were adopted early.

Future standards and new interpretations

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

Consolidated financial statements

Subsidiaries

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

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

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

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

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The highest executive decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments.

Last year, Cell Impact's Management Team was the highest executive decision-maker. Currently, Cell Impact's Board of Directors constitutes the Group's highest executive decision-maker.

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

Foreign currencies

Functional currency and reporting currency

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

Transactions and balance sheet items

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

Group companies

Profit/loss and financial position for all Group companies (none of which has a high inflation currency) that have a functional currency other than the reporting currency are translated into the Group's reporting currency as follows:

- assets and liabilities for each of the balance sheets are translated at the closing day rate;
- income and expenses for each of the income statements are translated at the average exchange rate, and
- all translation differences that arise are reported in Other comprehensive income.

Intangible assets

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

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

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

Capitalized development costs

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

Research and development

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

Patents

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

Property, plant and equipment

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

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

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

The following depreciation periods are applied:

- leasehold improvements, 10-20 years
- machinery, 8-15 years
- fixtures, installations and equipment, 38 years

Impairment of non-financial assets

Assets

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

Inventories

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

Financial instruments

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

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

- financial assets at amortized cost
- financial liabilities at amortized cost

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

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

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

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days and all trade receivables are therefore classified as current assets. Trade receivables are initially recognized at the transaction price. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. The Group applies the IFRS 9 simplified approach when testing trade receivables for impairment. The simplified approach means that the provision for expected credit losses is based on the risk of a loss over the entire life of the receivable and recognized upon initial recognition of the receivable. To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group also uses forward-looking variables for expected credit losses. Expected credit losses are recognized in the consolidated statement of comprehensive income in Other external costs. For more information, see Note 25, Trade receivables.

Cash and cash equivalents

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

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

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

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

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

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

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

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

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

(A) Pension commitments
For salaried employees in Sweden, the ITP 2 plan's defined benefit pension commitments for retirement and household pensions are secured through insurance from Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed through insurance from Alecta, this is a defined benefit plan that covers multiple employers. For the 2021 financial year, the company has not had access to the information required to report its proportional share of the plan's obligations, assets and costs, which means that the plan could not be recognized as a defined benefit plan. The ITP 2 pension plan, which is secured through insurance from Alecta, is therefore recognized as a defined contribution plan. Fees for pension insurance with Alecta totaled SEK 1,858 thousand (692) for the year and were recognized as staff costs. Alecta's surplus may be distributed to the policyholders and/or the insured. At the end of 2021, Alecta's surplus in the form of its collective consolidation ratio amounted to 172 percent (142)*.

The collective consolidation ratio is the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. Fees for insurance taken out with Alecta are expected to be at the same level in 2022.

* Source: Alecta

(b) Severance pay
Severance pay is expensed when the obligation to pay severance pay arises.

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

Services
The Group offers development services in the form of customized flow plates and tools and equipment.

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

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

Services are recognized as a separate performance obligation if the customer, individually or with other available resources, may benefit from them and they can be contractually separated from other promises in the agreement. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling price. Development services are considered to be separate performance obligations where revenue is recognized over time.

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

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

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

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

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

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

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

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

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

Definitions of key ratios

Debt/equity ratio (%)
Equity and untaxed reserves (less deferred tax) in relation to total assets.

NOTE 3 PARENT COMPANY'S ACCOUNTING POLICIES

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

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

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

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

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

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

NOTE 4 ESTIMATES AND ASSESSMENTS

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

Going concern

The company currently has good liquidity after the issue carried out during the year. The scope of any future need to raise capital will depend on how sales, and consequently production volumes, will develop in 2022 and 2023 and the extent to which the company will choose to continue investing in commercialization and expansion of production capacity in the new factory in Karlskoga (Brickegården) to pave the way for increased serial production.

The Covid-19 pandemic is impacting, and will likely continue to impact, the company's operations depending on the scope. At present, the company has adapted production and delivery to the prevailing situation. Furthermore, the company sees no major risk of delayed deliveries of, for example, input goods or components.

Loss carry-forwards

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

Leases

Leases for premises have a term of 8 years in the Group with an option to extend by 3 years at a time unless a party opts to terminate the lease, subject to nine months' notice.

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

Extension options related to premises have not been included in the lease liability, as Cell Impact cannot determine with reasonable certainty that the leases will be extended considering the development of the company. The lease term is reassessed if an option is actually exercised (or not exercised). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and the change is within the control of the lessee. No lease has a term of more than 8 years. New leases for premises were entered into during the financial year, but no reassessments of older leases were made.

Measurement of inventories

The Group recognizes an inventory value of SEK 21,925 thousand (8,351). An obsolescence allowance is recognized if the estimated net realizable value is lower than the cost, and in connection with such, the Group makes estimates and assessments regarding future market conditions and calculated net realizable values. The risk of obsolescence is relevant in periods with an unexpected drop in demand and when technical developments in the markets in which the Group operates constitute a specific risk.

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

NOTE 5 FINANCIAL RISK MANAGEMENT

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

Credit and counterparty risk

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

Interest rate risks

The Group's performance and cash flow from its operations are, to a limited extent, materially independent of changes in market interest rate levels. A change of 1 percentage point in the interest rates on existing borrowings would mean a cost exposure of approximately SEK 46 (59) thousand.

Liquidity risk

Cash flow forecasts are regularly prepared by Cell Impact and these forecasts are carefully monitored to ensure that the company has sufficient cash to meet the needs of the operating activities. There are no bank loans with covenants to consider. The company's only loan is a loan of SEK 4.6 million from Almi. The SEK 5 million loan was granted on April 1, 2020 and had a forbearance period that ended in July 2021.

Foreign exchange risk

Most of the Group's revenue is from foreign customers while most of the total costs are in SEK, so profit/loss is exposed to foreign exchange risk.

As the Group's revenue and costs are still limited, currency flows are not hedged. See the table for the exposure to each currency.

Transaction exposure

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

The Group's main transaction exposure is toward EUR, JPY and USD. A 10 percent stronger EUR compared with SEK would have a negative impact of approximately SEK 2,000 thousand (1,425) on profit/loss after tax and on equity. A 10 percent stronger USD compared with SEK would have a positive impact of approximately SEK 315 thousand (269) on profit/loss after tax and on equity. A 10 percent stronger JPY compared with SEK would have a positive impact of approximately SEK 15 thousand (0) on profit/loss after tax and on equity. See the table below for the exposure to each currency.

Translation exposure

The Group is subject to translation exposure arising in the translation of foreign trade payables into SEK. This exposure amounted to EUR 1.7 thousand (37) on the balance sheet date. A 10 percent stronger EUR compared with SEK would have a negative impact of approximately SEK -0.2 thousand (-3.7) on profit/loss after tax and on equity.

Dividend policy and other information

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

Currency exposure in 2021	Operating income (%)	Operating expenses (%)
USD	5%	0
JPY	11%	4
EUR	0%	10
SEK	84%	85
Other currencies	0%	1

Currency exposure in 2020	Operating income (%)	Operating expenses (%)
USD	9	0
EUR	0	21
SEK	91	79
Other currencies	0	0

NOTE 6 SEGMENT INFORMATION

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

Group	2021-12-31	2020-12-31
Operating profit/loss	-78,040	-43,055
Total	**-78,040**	**-43,055**

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

NOTE 7 DISTRIBUTION OF REVENUE

Revenue
As the majority of the revenue is from goods sold, it is valued in the same way as in the Consolidated statement of comprehensive income. The majority of the revenue is recognized at a point in time.

(SEK thousand)	Group		Parent Company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Revenue includes the sale of:				
Goods	71,269	29,281	71,389	29,281
Services	78	28	78	28
Total	**71,347**	**29,309**	**71,467**	**29,309**
Other revenue includes revenue from:				
Changes in inventory and work in progress	10,453	–	10,014	–
Exchange rate fluctuations	–	–	–	–
Total	**10,453**	**-**	**10,014**	**-**

NOTE 8 REVENUE BY GEOGRAPHIC MARKET

(SEK thousand)	Group		Parent Company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Revenue is distributed over geographic markets as follows:				
Sweden	621	217	621	217
Other Europe	23	–	23	–
North America	64,184	20,203	64,184	20,203
Asia	6,519	8,889	6,640	8,889
Total	**71,347**	**29,309**	**71,467**	**29,309**
Revenue from major customers				
Customer A	–	7,356	–	7,356
Customer B	359	9,210	359	9,210
Customer C	63,825	10,994	63,825	10,994

NOTE 9 FEES TO AUDITORS

(SEK thousand)	Group		Parent Company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
PWC				
Audit assignment	195	165	195	165
Audit activities outside audit assignment	165	130	165	130
Tax advice	104	–	104	–
Other services	770	109	770	109
Total	**1,234**	**404**	**1,234**	**404**

NOTE 10 LEASE AGREEMENTS

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

Right-of-use assets (KSEK)	Group 2021-12-31	Group 2020-12-31
Opening cost	17,457	1,298
New leases	1,410	17,132
Revaluation	567	–
Terminated leases	-275	-973
Closing accumulated cost	*19,159*	*17,457*
Opening depreciation	-1,553	-912
Amortization for the year	-3,464	-1,614
Revaluation	-697	–
Terminated leases	275	973
Closing accumulated amortization	*-5,439*	*-1,553*
Closing carrying amount	**13,720**	**15,904**
Right-of-use assets refer to:		
Premises	12,801	15,783
Vehicles	13	92
Equipment	906	29
Total	**13,720**	**15,904**
Lease liabilities		
Current	2,723	2,132
Non-current	12,146	13,989
Total	**14,870**	**16,121**

Leases are generally agreed with a term from 3 to 8 years in the Group, with an option to extend leases in the Parent Company. Leases in the Parent Company can be extended by 3 years unless either party terminates the lease, subject to a 9-month notice period. Cell Impact cannot determine with reasonable certainty that the leases will be extended considering the development of the company and has therefore not included any use after the end of the term. The level of rent in the leases is subject to indexation or a fixed annual increase in rent that is stated in the lease. Indexation is included in the lease liability when it enters into force and is then adjusted against the right-of-use asset. More information is available in Note 30, Loan receivables.

(SEK thousand)	Group 2021-12-31	Group 2020-12-31
Interest expense on lease liabilities	898	1,016
Expense relating to short-term leases	478	367
Expense relating to leases of low-value assets	176	207
Expense relating to variable lease payments not included in lease liabilities	717	713
Total cash outflow for leases in the Group during the year	4,161	3,565

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

Leases in the Parent Company (SEK thousand)	Parent Company 2021-12-31	Parent Company 2020-12-31
Lease payments for leases during the year	4,385	3,169
Future payment obligations as at December 31 for leases are distributed as follows:		
Due for payment within 1 year	5,175	5,757
Due for payment in more than 1 year but less than 5 years	10,513	13,487
Due for payment in more than 5 years	911	5,480

NOTE 11 EMPLOYEES AND STAFF COSTS

Average number of employees	2021 Employees	2021 of which men	2020 Employees	2020 of which men
Group				
Japan	1	100%	–	–
Sweden	77	58%	36	48%
	78		**36**	
Parent Company				
Sweden	77	58%	36	48%
	77		**36**	

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

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Salaries, remuneration, social security fees and pension costs				
Salaries and remuneration to other employees	30,172	13,611	30,172	13,611
Salaries and remuneration to the Board of Directors and senior executives	10,759	6,100	8,971	6,100
	40,931	19,711	39,143	19,711
Statutory social security contributions	13,258	6,190	13,158	6,190
Pension expense relating to the Board of Directors and other senior executives	3,066	1,801	3,066	1,801
Pension expense relating to other employees	2,669	1,005	2,669	1,005
Total	**59,924**	**28,706**	**58,037**	**28,706**
Board members and senior executives	2021	2020	2021	2020
Number of Board members, reporting date				
Women	1	1	1	1
Men	4	4	4	4
Total	**5**	**5**	**5**	**5**
Number of senior executives, incl. CEO				
Women	2	0	2	0
Men	8	5	8	5
Total	**10**	**5**	**10**	**5**

Parent Company 2021 (SEK thousand)	Base salary, Board fee	Pension expense	Variable remune-ration[1]	Fringe benefits	Total
Chairman of the Board	269	–	–	–	269
Board members	544	–	–	–	544
CEO	1,781	601	559	103	3,044
Other senior executives, 6 people[2]	5,147	2,464	497	71	8,179
Total	**7,741**	**3,066**	**1,056**	**174**	**12,037**

Parent Company 2020 (SEK thousand)	Base salary, Board fee	Pension expense	Variable remune-ration[1]	Fringe benefits	Total
Chairman of the Board	178	–	–	–	178
Board members	344	–	–	–	344
CEO	1,651	602	578	41	2,872
Other senior executives, 4 people[2]	3,053	1,199	193	62	4,507
Total	**5,226**	**1,801**	**771**	**103**	**7,901**

In addition to salaries, etc., Board members and senior executives have received consultancy fees. See Note 34 Transactions between related parties, for more information.

Group 2021 (SEK thousand)	Base salary, Board fee	Pension expense	Variable remune-ration[1]	Fringe benefits	Total
Board of Directors	813	–	–	–	813
CEO	1,781	601	559	103	3,044
Other senior executives, 9 people[2]	6,934	2,464	497	71	9,967
Total	**9,528**	**3,066**	**1,056**	**174**	**13,824**

Group 2020 (SEK thousand)	Base salary, Board fee	Pension expense	Variable remune-ration[1]	Fringe benefits	Total
Board of Directors	522	–	–	–	522
CEO	1,651	602	578	41	2,872
Other senior executives, 4 people[2]	3,053	1,199	193	62	4,507
Total	**5,226**	**1,801**	**771**	**103**	**7,901**

1) Variable remuneration refers to the amount expensed in each financial year, which may deviate from future amounts paid.
2) Other senior executives comprise the Chief Financial Officer, Chief Operating Officer, Chief Technology Officer, Chief Project Officer, Quality Manager and Chief Human Resources Officer.

Bonuses and severance pay

For the year 2021, the CEO may receive a bonus of no more than six months' salary, and the CFO, CPO and CTO may receive no more than three months' salary. The COO, who was recruited during the second half of the year, may receive a bonus of a maximum of one month's salary. The payment of a bonus is at the discretion of the Board of Directors.

In 2021, the company's CEO, Pär Teike, received a bonus of SEK 453 thousand which referred to the financial year 2020 and the company's CFO received a bonus of SEK 172 thousand for the financial year 2020. No bonuses ("variable remuneration") are payable to senior executives other than the ones outlined above.

None of the company's employees except for the CEO is entitled to severance pay. If the company terminates the CEO for any other reason than because the CEO has grossly neglected his or her duties, the CEO is entitled to severance pay corresponding to six times the base salary (monthly salary), which will be paid over six months. However, severance pay is not payable in case of retirement.

The CEO is bound by a non-compete clause that applies for 12 months after the end of employment. If the company invokes the non-compete clause, the CEO shall receive remuneration of no more than 60 percent of the previous monthly salary over the 12-month period (during the period for which the non-compete is invoked). However, no remuneration shall be payable for the period when severance pay is provided.

Related party transactions

The 2021 Annual General Meeting resolved that the Chairman of the Board and the Board members would be entitled to remuneration of SEK 8,000 per full working day (SEK 8,000 including social security contributions if the fee is charged via their own companies) for consultancy services that do not constitute regular board work.

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

NOTE 12 WARRANTS

Cell Impact AB (publ) has the following 4 outstanding warrant programs, under which employees and others have purchased warrants. The warrants confer an entitlement to acquire Class B shares in the Parent company at a strike price set in advance.

- The warrant program 2019/2022 for senior executives and other employees was adopted by the 2019 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 20–July 18, 2022.
- The warrant program 2020/2023 for senior executives and other employees was adopted by the 2020 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 1–June 30, 2023.
- The warrant program 2020/2024 for Board members was adopted by the 2020 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 1–June 30, 2024.
- The warrant program 2021/2024 for senior executives and other employees was adopted by the 2021 Annual General Meeting – the warrants may be used to subscribe for Class B shares during the period June 1–July 2, 2024.

Warrants awarded	Accumulated number outstanding	Average strike price, SEK
As at Dec 31, 2019	658,000	14.46
As at Dec 31, 2020	1,256,200	25.28
As at Dec 31, 2021	1,328,750	28.66

The average strike price for options awarded that were outstanding at the end of the period was SEK 28.66. No options were forfeited, expired or exercised in 2021.

Outstanding per year, options	Number outstanding Dec 31, 2021	Number outstanding Dec 31, 2020	Subscription price, SEK	Value per option, SEK	Value per share, SEK	Volatility	Expiry date
Warrant program 2019/2022	658,000	658,000	13.74	0.35	4.82	50%	07/18/22
Warrant program 2020/2023	223,200	223,200	35.32	3.19	20.05	50%	06/30/23
Warrant program 2020/2024	375,000	375,000	35.32	4.22	20.05	50%	06/30/24
Warrant program 2021/2024	72,550	–	82.82	8.07	45.10	59%	07/02/24
Total	**1,328,750**	**1,256,200**					

Due to the rights issue, the strike price and the number of shares that the warrantholders are entitled to have been recalculated in accordance with the terms and conditions of the 2019/2022, 2020/2023, 2020/2024 and 2021/2024 warrant programs.

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

Holder	Number outstanding 2020-01-01	Change	Number outstanding 2020-12-31	Change	Number outstanding 2021-12-31
Pär Teike, CEO	200,000	100,000	300,000	25,000	325,000
Robert Sobocki, Chairman of the Board	–	150,000	150,000	–	150,000
Kjell Östergren, Board member	–	75,000	75,000	–	75,000
Thomas Carlström, Board member	–	75,000	75,000	–	75,000
Anna Frick, Board member	–	75,000	75,000	–	75,000
Other senior executives	150,000	70,000	220,000	35,150	255,150
Other employees and consultants	308,000	53,200	361,200	12,400	373,600
Total	**658,000**	**598,200**	**1,256,200**	**72,550**	**1,328,750**

NOTE 13 FINANCE INCOME

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Interest income	–	25	–	25
Total	**-**	**25**	**-**	**25**

All finance income refers to financial assets at amortized cost.

NOTE 14 FINANCE COSTS

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Other interest expense	-793	-212	-793	-233
Interest expense on lease liabilities	-898	-1,016	–	–
Total	**-1,690**	**-1,228**	**-793**	**-233**

All finance costs refer to financial liabilities at amortized cost.

NOTE 15 TAX ON PROFIT/LOSS FOR THE YEAR

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Current tax for the year	-122	–	–	–
Reported tax	**-122**	**-**	**-**	**-**

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

Numerical reconciliation of the effective tax rate (SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Profit/loss before tax	-79,853	-44,258	-79,312	-43,372
Tax in accordance with current rate 20.6% (21.4%)	16,450	9,471	16,338	9,282
Effect of other tax rates for foreign subsidiaries	37	–	–	–
Tax related to non-deductible expenses	-62	-52	-61	-52
Change in unrecognized loss carry-forwards	-16,548	-9,419	-16,277	-9,230
Reported tax	**-122**	**-**	**-**	**-**

The Group makes tax deductions for issue costs that are recognized directly in equity. No deferred tax has been recognized in this respect. Loss carry-forwards in the Group amounted to SEK 386 million (264).

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

NOTE 16 EARNINGS PER SHARE

Earnings per share, before and after dilution	Group 2021-12-31	Group 2020-12-31
Profit/loss for the year (SEK thousand) attributable to the Parent Company's shareholders	-79,853	-44,258
Average number of ordinary shares outstanding	59,210,818	50,325,244
Earnings per share before and after dilution (SEK)	**-1.35**	**-0.88**

The warrants issued are antidilutive as profit/loss for the years presented above was negative.

For more information on shares and share capital, see Note 29, Equity.

NOTE 17 PATENTS, LICENSES AND SOFTWARE

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Opening cost	337	337	337	337
Additions during the year	708	-	708	-
Closing accumulated cost	**1,045**	**337**	**1,045**	**337**
Opening accumulated amortization	-261	-194	-261	-194
Amortization for the year	-118	-67	-118	-67
Closing accumulated amortization	**-379**	**-261**	**-379**	**-261**
Closing carrying amount	**666**	**76**	**666**	**76**

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

NOTE 18 CAPITALIZED DEVELOPMENT COSTS

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Opening cost	7,401	7,401	7,401	7,401
Capitalizations for the year	630	–	630	–
Closing accumulated cost	**8,031**	**7,401**	**8,031**	**7,401**
Opening accumulated amortization	-2,246	-1,263	-2,246	-1,263
Amortization for the year	-989	-983	-989	-983
Closing accumulated amortization	**-3,235**	**-2,246**	**-3,235**	**-2,246**
Closing residual value according to plan	**4,796**	**5,155**	**4,796**	**5,155**

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

NOTE 19 LEASEHOLD IMPROVEMENTS

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Leasehold improvements				
Opening cost	6,668	–	6,668	–
Additions during the year	1,560	5,753	1,560	5,753
Reclassification	–	915	–	915
Closing accumulated cost	**8,228**	**6,668**	**8,228**	**6,668**
Opening accumulated amortization	-200	–	-200	–
Amortization for the year	-434	-110	-434	-110
Reclassification	–	-90	–	-90
Closing accumulated amortization	**-633**	**-200**	**-633**	**-200**
Closing carrying amount	**7,595**	**6,469**	**7,595**	**6,469**

NOTE 20 PLANT AND MACHINERY

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Opening cost	33,364	58,935	33,364	58,935
Additions during the year	30,644	3,885	30,644	3,885
Disposals	0	-29,456	0	-29,456
Closing accumulated cost	**64,008**	**33,364**	**64,008**	**33,364**
Opening accumulated amortization	-8,401	-34,283	-8,401	-34,283
Amortization for the year	-4,622	-3,560	-4,622	-3,560
Disposals	0	29,442	0	29,442
Closing accumulated amortization	**-13,023**	**-8,401**	**-13,023**	**-8,401**
Closing carrying amount	**50,985**	**24,963**	**50,985**	**24,963**

NOTE 21 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Opening cost	2,628	4,037	2,628	4,037
Additions during the year	2,546	1,433	2,546	1,433
Sales	–	-255	–	-255
Disposals	–	-1,672	–	-1,672
Reclassification	–	-915	–	-915
Closing accumulated cost	**5,174**	**2,628**	**5,174**	**2,628**
Opening accumulated amortization	-588	-2,077	-588	-2,077
Amortization for the year	-567	-385	-567	-385
Sales	–	173	–	173
Disposals	–	1,611	–	1,611
Reclassification	–	90	–	90
Closing accumulated amortization	**-1,155**	**-588**	**-1,155**	**-588**
Closing carrying amount	**4,019**	**2,040**	**4,019**	**2,040**

NOTE 22 ASSETS UNDER CONSTRUCTION

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Opening cost	10,972	–	10,972	–
Additions during the year	18,224	10,972	18,224	10,972
Closing accumulated cost	**29,196**	**10,972**	**29,196**	**10,972**
Closing carrying amount	**29,196**	**10,972**	**29,196**	**10,972**

NOTE 23 ACCRUED INCOME NOT YET INVOICED

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Accrued income, projects in progress	39,766	5,825	39,766	5,825
Invoicing of customer projects in progress	-20,367	-5,143	-20,367	-5,143
Total	**19,399**	**682**	**19,399**	**682**

NOTE 24 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities as at December 31, 2021

(SEK thousand)	Financial assets at amortized cost	Non-financial assets	Total reported value
Financial assets			
Trade receivables	4,712	–	4,712
Accrued income not yet invoiced	–	19,399	19,399
Other current receivables	–	6,580	6,580
Prepaid expenses and accrued income	–	46,558	46,558
Cash and cash equivalents	28,561	–	28,561
Total	**33,273**	**72,538**	**105,811**

(SEK thousand)	Financial liabilities at amortized cost	Non-financial liabilities	Total reported value
Financial liabilities			
Non-current lease liabilities	12,146	–	12,146
Non-current liabilities to credit institutions	3,929	–	3,929
Trade payables	15,103	–	15,103
Invoiced income not yet accrued	–	3,300	3,300
Other current liabilities	–	2,702	2,702
Current lease liabilities	2,723	–	2,723
Current liabilities to credit institutions	714	–	714
Accrued expenses and deferred income	43,533	11,949	55,482
Total	**78,149**	**17,951**	**96,100**

Financial assets and liabilities as at December 31, 2020

(SEK thousand)	Financial assets at amortized cost	Non-financial assets	Total reported value
Financial assets			
Trade receivables	10,137	–	10,137
Accrued income not yet invoiced	–	682	682
Other current receivables	–	4,811	4,811
Prepaid expenses and accrued income	–	1,385	1,385
Cash and cash equivalents	151,929	–	151,929
Total	**162,066**	**6,878**	**168,944**

(SEK thousand)	Financial liabilities at amortized cost	Non-financial liabilities	Total reported value
Financial liabilities			
Non-current lease liabilities	13,989	–	13,989
Non-current liabilities to credit institutions	4,643	–	4,643
Trade payables	9,582	–	9,582
Invoiced income not yet accrued	–	2,037	2,037
Other current liabilities	–	1,004	1,004
Current lease liabilities	2,132	–	2,132
Current liabilities to credit institutions	1,214	–	1,214
Accrued expenses and deferred income	933	5,452	6,385
Total	**32,493**	**8,493**	**40,986**

NOTE 25 TRADE RECEIVABLES

(SEK thousand)	Group 2021-12-31	Group 2020-12-31
Trade receivables	4,712	10,137
Provision for expected loss on trade receivables	–	–
Trade receivables, net	**4,712**	**10,137**

The carrying value of trade receivables corresponds to the fair value. As trade receivables are generally paid within a short period of time, the fair value corresponds to the amortized cost. The Group monitors that sales are made to customers with suitable creditworthiness. It relies on constant monitoring of the external environment, regular customer contacts and credit reports when relevant. Trade receivables have a payment term of 30 days.

As at December 31, the Group had 2 customers (2) from which Cell Impact had net receivables of SEK 2,957 thousand (5,064) and SEK 1,670 (5,016) thousand, respectively, which comprised 99 (99) percent of all net receivables.

All receivables had been paid when the Annual Report was prepared.

In the calculation of expected loss on trade receivables, trade receivables were grouped based on the number of days overdue.

Age analysis of trade receivables for which no provision has been made (SEK thousand)	Group 2021-12-31	Group 2020-12-31
Not due	2,466	7,839
1-60 days past due	2,246	2,298
Total	**4,712**	**10,137**

NOTE 26 OTHER CURRENT RECEIVABLES

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
VAT receivables	5,390	4,502	5,390	4,502
Other receivables	1,190	308	1,212	304
Total	**6,580**	**4,811**	**6,601**	**4,807**

NOTE 27 PREPAID EXPENSES AND ACCRUED INCOME

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Prepaid rents	216	–	854	741
Prepaid rights issue expenses	45,282	–	–	–
Insurance	246	–	246	–
Other prepaid expenses	448	1,385	448	1,298
Accrued income	367	–	367	–
Total	**46,558**	**1,385**	**1,914**	**2,039**

NOTE 28 CASH AND CASH EQUIVALENTS

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Cash and bank balances	28,561	151,929	22,851	151,463
Total	**28,561**	**151,929**	**22,851**	**151,463**

Cash flow, non-cash items (SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Depreciation and amortization	10,193	6,721	6,730	5,107
Capital gains/losses	–	74	–	74
Revaluation of right-of-use assets	-181	–	–	–
Total	**10,012**	**6,795**	**6,730**	**5,181**

NOTE 28 (CONT.) CASH AND CASH EQUIVALENTS

Reconciliation of liabilities from financing activities

Group (KSEK)	2021-01-01	Cash flows	Non-cash movements	2021-12-31
Liabilities to credit institutions	5,857	-1,214	–	4,643
Lease liabilities	16,121	-2,365	-1,113	14,869
Total liabilities from financing activities	**21,978**	**-3,579**	**-1,113**	**19,512**
	2021-01-01			2020-12-31
Liabilities to credit institutions	1,143	4,688	26	5,857
Lease liabilities	197	-1,208	17,132	16,121
Total liabilities from financing activities	**1,340**	**3,480**	**17,158**	**21,978**

Parent Company (SEK thousand)	2021-01-01	Cash flows	Non-cash movements	2021-12-31
Liabilities to Group companies	2,463	–	37	2,500
Liabilities to credit institutions	5,857	-1,214	–	4,643
Total liabilities from financing activities	**8,320**	**-1,214**	**37**	**7,143**
	2021-01-01			2020-12-31
Liabilities to Group companies	441	2,000	22	2,463
Liabilities to credit institutions	1,143	4,688	26	5,857
Total liabilities from financing activities	**1,584**	**6,688**	**48**	**8,320**

NOTE 29 EQUITY

	A-shares	B-shares	Total number of shares	Share capital (SEK thousand)	Subscribed share capital not paid	Other contributed capital[1] (SEK thousand)
As at Jan 1, 2020	**217,800**	**45,230,861**	**45,448,661**	**5,261**	**-**	**188,932**
Exercising of warrants	–	6,393,673	6,393,673	740	–	35,659
Share issue in October 2020	–	7,000,000	7,000,000	810	–	161,590
Received option premiums	–	–	–	–	–	2,295
As at Dec 31, 2020	**217,800**	**58,624,534**	**58,842,334**	**6,811**	**-**	**388,476**
Share issue in December 2021	–	16,812,094	16,812,094	–	1,946	18,054
Received option premiums	–	–	–	–	–	585
Translation reserve	–	–	–	–	–	4
As at Dec 31, 2021	**217,800**	**75,436,628**	**75,654,428**	**6,811**	**1,946**	**407,119**

Share capital
All shares are fully paid, and no shares have been reserved for transfer. All shares are ordinary shares and confer an equal right to capital. Class A shares confer a right to one share while Class B shares confer a right to 1/10 share. No shares are held by the company or its subsidiaries.

The number of registered A-shares in Cell Impact is 217,800 and the number of registered B-shares is 58,624,534. The total number of votes in the company amounts to 6,080,253, as the A-shares confer a right to one vote per share while the B-shares confer a right to 1/10 vote per share. The total number of shares in Cell Impact, including both A and B-shares, is 58,842,334 shares. The company's registered share capital was SEK 6,811,362 as at December 31, 2021. The shares have a quota value of approximately 0.12 SEK.

After the balance sheet date, December 31, 2021, at the request of the A-shareholders, all A-shares in Cell Impact were converted into B-shares. Cell Impact now has only B-shares, where all 75,654,428 shares in the company now carry the same voting rights.

Subscribed share capital not paid
When the rights issue was carried out in December, an additional 16,812,094 shares were subscribed for, corresponding to share capital of SEK 1,946,103. The shares were registered by the Swedish Companies Registration Office in January 2022 and are reported as unsubscribed share capital in the balance sheet as at December 31, 2021.

Other contributed capital
Other contributed capital comprises capital contributed by the company's shareholders, share premiums paid and other funding that is recognized as equity.

1) Values in this column refer to the Group.

NOTE 30 LOAN RECEIVABLES

Maturity dates (SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Part of non-current liabilities that is due for payment more than 5 years after the reporting date				
Liabilities to credit institutions	1,072	1,786	1,072	1,786
Lease liabilities	1,255	3,329	–	–
Liabilities to Group companies	–	–	2,500	2,463
Total	**2,326**	**5,115**	**3,572**	**4,249**
Due for payment between 1 and 5 years				
Liabilities to credit institutions	2,857	2,857	2,857	2,857
Lease liabilities	10,892	10,660	–	–
Total	**13,749**	**13,517**	**2,857**	**2,857**
Total non-current liabilities	**16,075**	**18,632**	**6,428**	**7,106**

Current interest-bearing liabilities (SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Liabilities to credit institutions	714	1,214	714	1,214
Lease liabilities	2,723	2,132	–	–
Total	**3,438**	**3,346**	**714**	**1,214**

Borrowings refer to a loan from Almi Företagspartner Mälardalen AB ("Almi") that was granted on May 8, 2020. The loan has an interest rate of 4.36 percent for 96 months. The loan has a forbearance period that ends in June 2021 and will thereafter be repaid with SEK 59,524 per month. The company has the right to prepay the loan, fully or in part, subject to a redemption fee. The company has pledged a floating charge of SEK 6 million out of SEK 6 million in the company's property as security for the fulfillment of its obligations and undertakings to Almi.

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

Borrowing for loans granted on October 22, 2015 from Almi was repaid in full during the year.

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

NOTE 31 INVOICED INCOME NOT YET ACCRUED

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Invoicing of customer projects in progress	6,344	3,469	6,344	3,469
Accrued income, projects in progress	-3,044	-1,432	-3,044	-1,432
Total	**3,300**	**2,037**	**3,300**	**2,037**

NOTE 32 ACCRUED EXPENSES AND DEFERRED INCOME

(SEK thousand)	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Accrued holiday pay	5,421	1,840	5,421	1,840
Accrued social security contributions	2,264	679	2,141	679
Accrued special employer contribution	2,127	746	2,127	746
Other accrued expenses	45,670	3,121	45,939	3,094
Total	**55,482**	**6,385**	**55,627**	**6,358**

NOTE 33 ASSETS PLEDGED AS SECURITY AND CONTINGENT LIABILITIES

(SEK thousand) Own provisions and liabilities	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Floating charges	6,000	6,000	6,000	6,000
Total	**6,000**	**6,000**	**6,000**	**6,000**

Floating charges that have been pledged as security refer to loans from Almi. See also Note 30, Loan receivables. The Group has no other commitments.

NOTE 34 TRANSACTIONS BETWEEN RELATED PARTIES

The Parent Company has a related party relationship to its subsidiaries, see Note 35.

Summary of related party transactions, Parent company (SEK thousand)	Year	Sale of goods/ services to related parties	Purchase of goods/services from related parties	Other (e.g. interest and dividends)	Receivables from related parties as at December 31	Liabilities to related parties as at December 31
Related party relationship						
Subsidiaries	2021	5,076	2,825	37	4,079	2,500
Subsidiaries	2020	–	–	21	–	2,463

Transactions with key management personnel

There were no transactions with key management personnel in 2021. Until April 2020, Mats Svanberg AB was engaged as the company's CFO and received a fee of SEK 7,250 per full working day. His invoiced fees in 2020 amounted to SEK 603 thousand.

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

NOTE 35 PARTICIPATIONS IN GROUP COMPANIES

Parent Company	Regis-tered office	Share of equity, %	Share of votes, %	Number of shares	Carrying value, 2021 (KSEK)	Carrying value, 2020 (KSEK)
Finshyttan Hydro Power AB (556703-5752)	Filipstad	100	100	10,000	72	72
Cell Impact Japan Inc. (0104-01-158383)	Tokyo	100	100	10,000	390	–
Total					**462**	**72**

NOTE 36 PROPOSED APPROPRIATION OF PROFITS

The following profits are at the disposal of the Annual General Meeting (SEK) 2021	2021-12-31
Share premium reserve	670,401,874
Retained earnings	-180,460,351
Profit/loss for the year	-79,311,664
Total	**410,629,859**
The Board of Directors proposes that	
the following amount be carried forward:	410,629,859
Total	**410,629,859**

NOTE 37 EVENTS AFTER THE REPORTING DATE

At the time of submitting this annual report, and based on current knowledge, the Board of Directors of Cell Impact AB (publ.) has the following view of how the Covid-19 pandemic is impacting, and will likely continue to impact, the company's operations. At present, the company has adapted production and delivery to the prevailing situation.

After the balance sheet date, December 31, 2021, at the request of the A-shareholders, all A-shares in Cell Impact were converted into B-shares. Cell Impact now has only B-shares, where all 75,654,428 shares in the company now carry the same voting rights.

The company has not been directly affected by the ongoing conflict in Ukraine. However, it is not unlikely that both materials and energy prices as well as the availability of components may be impacted, depending on the development of the conflict.

ASSURANCE

The Board of Directors certifies that the consolidated accounts were prepared in accordance with the international accounting standards IFRS as adopted by the EU and give a fair presentation of the Group's financial position and performance. The Parent Company's Annual Report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the Parent Company's financial position and performance. The Administration Report for the Group and the Parent Company provides a fair view of the development of the operations, financial position and performance of the Group and the Parent Company and describes material risks and uncertainty factors to which the Parent Company and the companies in the Group are exposed.

Karlskoga, on the date that appears on our electronic signatures.

Pär Teike
CEO

Robert Sobocki
Chairman of the Board

Thomas Carlström
Board member

Anna Frick
Board member

Mikael Eurenius
Board member

Mikael Silfversparre,
Board member

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

PricewaterhouseCoopers AB

Gert-Ove Levinsson
Authorized Public Accountant
Auditor-in-charge

AUDITOR'S REPORT

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

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Cell Impact AB (publ) for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 21–58 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 the Parent Company and the Group as of December 31, 2021 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 December 31, 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), 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 the Group.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

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

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

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISA 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 financial 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 the website of the Swedish Inspectorate of Auditors: revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Cell Impact AB (publ) for the year 2021 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 Directors and the CEO be discharged from liability for the financial year.

Basis for opinions

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

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

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of 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 and the Group's type of operations, size and risks place on the size of the Parent Company and the Group's 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, the management of assets and the company's financial affairs in general are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other things take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

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

- has undertaken any action or been guilty of any omission that 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 the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Karlskoga, on the date that appears on our electronic signatures

PricewaterhouseCoopers AB

Gert-Ove Levinsson
Authorized Public Accountant

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