

The Board of Directors in Cell Impact intends to resolve on a fully guaranteed rights issue of up to approximately SEK 350 million

Cell Impact AB
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PRESS RELEASE

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The Board of Directors in Cell Impact AB (Nasdaq First North Growth Market: CI B) ("Cell Impact" or the "Company") today announces its intention to resolve on a fully guaranteed rights issue of series B shares of up to approximately SEK 350 million (the "Rights Issue"). An Extra General Meeting is proposed to authorize the Board of Directors to resolve on the Rights Issue. The Extra General Meeting intends to be held on November 16, 2021 and the notice will be announced through a separate press release. The purpose of the Rights Issue is to ensure continued financing of Cell Impact's business plan, which includes increasing the Company's production capacity. Together with existing cash, the net proceeds from the Rights Issue is expected to be sufficient to finance the Company's business plan to mid-2023 provided that the Rights Issue generates gross proceeds of approximately SEK 350 million.

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Summary

- » The Board of Directors in Cell Impact today announces its intention to resolve on the Rights Issue. An Extra General Meeting is proposed to authorize the Board of Directors to resolve on a rights issue. The Extra General Meeting intends to be held on November 16, 2021 and the notice will be announced through a separate press release.
- » The purpose of the Rights Issue is to ensure continued financing of Cell Impact's business plan, which includes increasing the Company's production capacity. Hence, the net proceeds will be used to finance existing operations, investments in the arrangement of additional production space and new production equipment to ensure increased production capacity and capabilities as well as general corporate purposes. Together with existing cash, the net proceeds from the Rights Issue is expected to be sufficient to finance the Company's business plan to mid-2023 provided that the Rights Issue generates gross proceeds of approximately SEK 350 million.
- » The Rights Issue is secured to an amount of up to approximately SEK 350 million through a combination of subscription undertakings and guarantee commitments. Provided that the Extra General Meeting authorizes the Board of Directors and that the Board of Directors resolves to carry out the Rights Issue:
 - Östersjöstiftelsen has undertaken to subscribe for its pro rata share of the proposed Rights Issue. This subscription undertaking amounts to up to approximately SEK 17.8 million, equivalent to approximately five percent of the Rights Issue; and
 - certain external guarantors have provided guarantee commitments subject to customary conditions which, in aggregate, amount to up to approximately SEK 332.2 million, equivalent to approximately 95 percent of the Rights Issue.

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- » The prospectus is tentatively expected to be published on around November 24, 2021.
- » The record date in the Rights Issue is tentatively expected to take place on around November 25, 2021.
- » The subscription period in the Rights Issue is tentatively expected to take place November 29–December 13, 2021.
- » The subscription price in the Rights Issue will be priced at a customary discount to TERP based on the share price during the last trading day prior to the Board of Directors resolution on the Rights Issue and terms of the issue.

Background and reasons

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

Cell Impact quickly implemented what the Company call Phase 1, which includes converting existing demand into business to correctly position Cell Impact for future growth. In the three years since Cell Impact developed its strategy to manufacture flow plates, a new industrial company has taken form. The new organization has solid knowledge of application and manufacturing. Cell Impact is now entering Phase 2 where the Company will further enhance its production capacity and offering. During Phase 2, Cell Impact will gradually implement more compact and productive process technologies in line with the Company's internal process development. Cell Impact will also complete the remaining 2,500 sqm of production space to meet existing and expected customer demand.

The market for fuels cells continues to grow at a fast pace. Cell Impact is now in a period of acceleration in the market where companies that seek to be part of today's hydrogen value chain must position themselves with an attractive offering that includes cost-efficient scalability. Normally, a fuel cell contains several hundred flow plates, which means that there is a multiplier effect. This means that the demand for flow plates is considerable even at lower levels of fuel-cells demand. At higher levels of fuel-cells demand, the demand for flow plates increases substantially. Furthermore, Cell Impact expects a significant potential for its flow plates in the growing market of electrolyzers.

In order to capture the significant market opportunities and continue to deliver on its business plan, Cell Impact's Board of Directors intends to carry out a rights Issue of up to approximately SEK 350 million. The purpose of the Rights Issue is to ensure continued financing of Cell Impact's business plan, which includes increasing the Company's production capacity. Hence, the net proceeds will be used to finance existing operations, investments in arrangement of additional production space and new production equipment to ensure increased production capacity and capabilities and general corporate purposes.

If the Rights Issue brings in approximately SEK 350 million before deductions for costs related to the Rights Issue, the proceeds from the Rights Issue, together with existing

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cash, is expected to be sufficient to finance the Company's business plan to mid-2023, at which time the Company is expected to generate a positive EBITDA margin.

Extra general meeting

An Extra General Meeting is proposed to authorize the Board of Directors to resolve on a rights issue. The Extra General Meeting intends to be held on November 16, 2021 and the notice will be announced through a separate press release.

Subscription undertakings, guarantee commitments and voting commitments

Provided that the Extra General Meeting resolves to authorize the Board of Directors and that the Board of Directors resolves to carry out the Rights Issue, Östersjöstiftelsen has undertaken to subscribe for series B shares in the Rights Issue. This subscription undertaking amounts to up to approximately SEK 17.8 million, equivalent to approximately five percent of the Rights Issue. Östersjöstiftelsen has also undertaken to vote in favour of the authorization at the extra general meeting.

In addition to the aforementioned subscription commitment, certain external guarantors have provided guarantee commitments subject to customary conditions which, in aggregate, amount to approximately up to SEK 332.2 million, equivalent to approximately 95 percent of the Rights Issue.

Consequently, the Rights Issue is secured to an amount of up to approximately SEK 350 million through the subscription undertakings and guarantee commitments mentioned above, which means that the Rights Issue is fully covered by subscription undertakings and guarantee commitments.

For the guarantee undertakings, a guarantee commission of five percent of the guaranteed amount shall be paid as a cash remuneration. No remuneration shall be paid for the subscription commitments. Neither subscription undertakings nor guarantee commitments are secured by bank guarantee, blocked funds, pledges or similar arrangements. Further information regarding the parties who have entered into guarantee commitments will be available in the prospectus published before the start of the subscription period.

Indicative timetable and terms of the issue

- » The Extra General Meeting intends to be held on November 16, 2021.
- » The Board of Directors intends to resolve on the Rights Issue and terms of the issue on or about November 18, 2021 (or as soon as the new board authorization is registered with the Swedish Companies Registration Office).
- » The prospectus is tentatively expected to be published on or about November 24, 2021.
- » The record date in the Rights Issue is tentatively expected to take place on or about November 25, 2021.
- » The subscription period in the Rights Issue is tentatively expected to take place November 29–December 13, 2021.

Prospectus

The prospectus and subscription form will be made available before the subscription period commence on Cell Impact's website, www.cellimpact.com, and on Carnegie

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Investment Bank AB's (publ) website, www.carnegie.se.

Advisers

In conjunction with the Rights Issue, the Company has engaged Carnegie Investment Bank AB (publ) as Sole Global Coordinator and Joint Bookrunner and Bryan, Garnier & Co as Joint Bookrunner. Advokatfirman Vinge and Advokatfirman Wåhlin AB act as legal advisers.

For more information, please contact:

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This information is inside information that Cell Impact AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation.

About Cell Impact

Cell Impact AB (publ) is a global supplier of advanced flow plates to fuel cell manufacturers. The company has developed and patented a unique method for high-velocity forming, Cell Impact Forming™, which makes it possible to produce flow plates with more advanced designs, which in turn creates more cost and energy-efficient fuel cells compared to conventional forming methods.

The Cell Impact share is listed on Nasdaq First North Growth Market and FNCA Sweden AB is the Company's Certified Advisor (CA). Contact info: +46 8-528 00 399 or info@fnca.se.

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This press release is not a prospectus according to the definition in Regulation (EU) 2017/2019 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. A prospectus will be prepared by the Company and published on the Company's website after the prospectus has been reviewed and approved by the Swedish Financial Supervisory Authority.

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Forward-looking statements

This press release contains forward-looking statements related to the Company's intentions, estimates or expectations with regard to the Company's future results, financial position, liquidity, development, outlook, estimated growth, strategies and opportunities as well as the markets in which the Company is active. Forward-looking statements are statements that do not refer to historical facts and can be identified by the use of terms such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "implies", "should", "could" and, in each case, their negative, or comparable terminology. The forward-looking statements in this press release are based on various assumptions, which in several cases are based on further assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there is no guarantee that they will occur or that they are correct. Since these assumptions are based on assumptions or estimates and involve risks and uncertainties, actual results or outcomes, for many different reasons, may differ materially from those what is stated in the forward-looking statements. Due to such risks, uncertainties, eventualities and other significant factors, actual events may differ materially from the expectations that expressly or implicitly are contained in this press release through the forward-looking statements. The Company does not guarantee that the assumptions which serve as a basis for the forward-looking statements in this press release are correct, and each reader of the press release should not rely on the forward-looking statements in this press release. The information, opinions and forward-looking statements that expressly or implicitly are stated herein are provided only as of the date of this press release and may change. Neither the Company nor any other party will review, update, confirm or publicly announce any revision of any forward-looking statement to reflect events that occur or circumstances that arise with respect to the contents of this press release, beyond what is required by law or Nasdaq First North Growth Market Rulebook.

Potential investors should not put undue trust in the forward-looking statements herein, and potential investors are strongly recommended to read the sections in the prospectus that include a more detailed description of the factors that can affect the Company's business and its associated market.