

Analyst: **Ramon Alfonso Ikaum Bawa**

## Description

**PowerCell Sweden AB** is a Sweden-based company active in the **field of clean energy**. PowerCell Sweden AB develops and produces fuel cells and fuel cell systems for automotive, stationary, and mobile applications in Sweden and internationally.

The company has developed a system of **fuel cell platforms that are powered by pure hydrogen gas**, produced on an environment-friendly basis, where only electricity, heat and water are emitted. It offers fuel cell stacks under the PowerCell S2, which is based on fuel cell technology used in back-up power generators, micro CHP for household, and as an extender for electrical vehicles; and PowerCell S3, which is used for power generation of renewable energy stored in hydrogen, as well as for fossil free propulsion of vehicles or vessels.

The company also provides **PowerCell PS-5, a fuel cell system that is used for electricity generation**, as well as a back-up power generator for **telecom, traffic, building, and household applications**; PowerCell PS-100, a stationary system to reduce power consumption during periods of imbalances in industry's energy requirements; **PowerCell MS-30, a fuel cell system for battery-operated electric vehicles**; and **PowerCell MS-100 for vehicles and marine systems**. In addition, it offers engineering services and zero emission solutions.

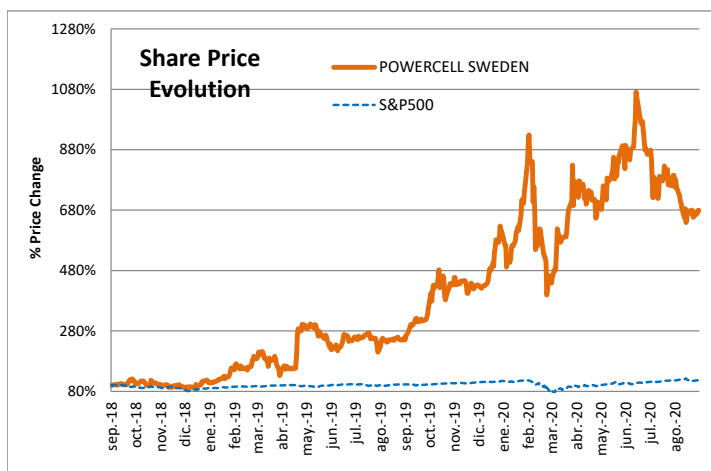
Geographically, it derives majority revenue from Germany and also has a presence in **China, Sweden, Taiwan, the US, and other countries**. It serves transportation, marine, stationary, and other markets.

In **July 2020, PowerCell announced the appointment of Richard Berkling as CEO**, taking over from Per Wassén, who has served as CEO since 2014 (and chairman from 2008-14). Mr Berkling is currently CEO of CPAC Systems, an engineering and technology company focused on automation and streamlining processes, notably in the marine and off-road sectors. He is expected to take up his role as CEO of PowerCell by the end of 2020. **PowerCell was founded in 2008 as an industrial spinout from the Volvo Group** and is based in Gothenburg, Sweden.

NEXT QUARTERLY EARNINGS RELEASED	04/11/2020
YEAR END CLOSING DATE	31/03/2020

Link to Investor Relations

<https://www.powercell.se/en/investors/>



<b>COMPANY</b>	<b>POWERCELL SWEDEN</b>		
ISIN Code	SE0006425815	SEK	
FISCAL YEAR END	31/03/2020		
SECTOR GICS	Industrials /Electrical Equipment		
MARKET CAPITALIZATION	12,189.2	Millions SEK	
<b>CURRENT PRICE</b>	<b>235.0</b>	Price Upside Analysis	
<b>TARGET PRICE</b>	<b>305.3</b>	<b>30%</b>	<b>BUY</b>
PE	Current Year	Next Year	In 2 Years
	27.8	5,592.7	1,940.9
	RATIOS		
RATIOS	ROE	% DVY	EV/EBITDA
	77%	0.0%	-186.5
	BETA	WACC	DEBT/EQY
	1.1	11.4%	17.5%
PRICE CHANGE	Last Month	3 Month	12 Month
POWERCELL SWEDEN	0.0%	-30.3%	79.4%
S&P500	-3.1%	4.2%	10.8%
<b>QUANT Q-SCORE</b>	Historic	Forecast	Global
<b>Q-SCORE</b>	4 / 10	5 / 10	4 / 10
<b>QUALITY COMPANY</b>	FINE	FINE	FINE

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### Research Disclaimer

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## SECTION 1. FINANCIAL STATEMENTS

### Financial Statements: Profit and Loss Account

- Closed years and Forecast for the next 3 years.

PROFIT AND LOSS ACCOUNT (P/L)	Historic							Forecast		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Amounts in Millions</b>										
<b>REVENUES (1)</b>	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6	
% Increase in Revenues		241.8%	138.9%	201.5%	64.7%	10.5%	25.0%	25.0%	25.0%	
COGS & General Expenses	41.3	63.7	72.5	97.2	112.2	130.5	71.0	83.6	91.4	
<b>EBITDA (2)</b>	-39.8	-58.6	-60.3	-60.5	-51.7	-63.6	12.5	20.9	39.2	
Margin Ebitda/Revenues % (2)/(1)	-2669.3%	-1149.2%	-494.7%	-164.6%	-85.4%	-95.2%	15.0%	20.0%	30.0%	
Depreciation & Amortization	6.1	6.2	5.8	6.2	7.9	15.8	18.6	21.8	25.7	
<b>EBIT (3)</b>	-45.9	-64.8	-66.1	-66.7	-59.6	-79.5	-6.1	-1.0	13.5	
Margin EBIT/Revenues % (3)/(1)	-3077.1%	-1269.9%	-542.5%	-181.5%	-98.5%	-118.9%	-7.3%	-0.9%	10.3%	
Financial Expenses (+)	1.1	0.9	0.8	0.0	0.2	0.2	0.4	0.7	1.0	
Financial Income (-) and Other	-0.1	-0.5	-1.2	0.0	1.9	-517.7	-9.0	-8.9	-0.5	
<b>PROFIT BEFORE TAX (PBT) (4)</b>	-47.0	-65.2	-65.7	-66.7	-61.7	438.1	2.5	7.3	13.1	
Margin PBT/Revenues % (4)/(1)	-3148.9%	-1278.2%	-538.8%	-181.6%	-102.0%	655.4%	3.0%	7.0%	10.0%	
Other Adjustments to Net Income	0.0	0.0	0.0	0.0	0.2					
Corporate Tax (5)			0.0	0.0	0.0	0.1	0.3	0.9	1.6	
% Effective Corporate Tax (5)/(4)			0.0%	0.0%	0.0%	0.0%	12.0%	12.0%	12.0%	
<b>NET PROFIT (6)</b>	-47.0	-65.2	-65.7	-66.7	-61.9	438.0	2.2	6.4	11.5	
Margin Net Profit / Revenues % (6)/(1)	-3148.9%	-1278.2%	-538.8%	-181.6%	-102.2%	655.2%	2.6%	6.2%	8.8%	
% net earnings growth		-38.8%	-0.7%	-1.6%	7.3%	808.0%	-99.5%	191.7%	78.6%	
<b>Amounts in Millions</b>										
Dividends Paid (out of Net Profit) (7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
% Pay out (7)/(6)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
Number of Shares (Millions)	35.4	35.7	40.2	48.2	51.9	51.9	52.5	53.1	53.8	
Earnings per Share (EPS)	-1.33	-1.83	-1.63	-1.38	-1.19	8.44	0.04	0.12	0.21	
EPS Growth		38%	-11%	-15%	-14%	-808%	-100%	188%	76%	

### Financial Statements: Balance Sheet

- Closed years and Forecast for the next 3 years.

BALANCE SHEET (B/S)	Historic							Forecast		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Amounts in Millions</b>										
Cash and Banks	105.9	41.0	61.2	217.8	98.3	440.9	551.2	689.0	861.2	
Accounts Receivable	0.4	2.5	2.8	13.6	18.6	104.6	78.2	97.8	122.2	
Inventories	0.7	1.7	3.4	6.5	32.7	43.3	12.7	15.0	16.4	
Other Current Assets	14.9	9.0	10.1	12.7	23.9	19.8	13.8	13.8	13.8	
<b>CURRENT ASSETS (1)</b>	121.9	54.2	77.5	250.6	173.5	608.7	655.9	815.5	1,013.6	
Material Fixed Assets	49.3	51.8	58.3	62.9	91.6	130.7	153.6	180.5	212.1	
Non-Material Fixed Assets	0.5	0.2	1.0	2.8	1.1	1.6	1.8	2.0	2.2	
Other Fixed Assets	-0.4	0.0	-6.0	0.0	1.6	0.6	0.6	0.6	0.6	
Depreciation and Amortization	24.1	30.3	34.6	42.2	50.7	58.4	77.0	98.8	124.5	
<b>FIXED ASSETS (2)</b>	25.2	21.8	18.7	23.5	43.7	74.6	233.0	282.0	339.5	
<b>TOTAL ASSETS (1)+(2)</b>	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1	
Accounts Payable	14.9	5.5	4.4	14.3	12.8	10.9	15.7	18.5	20.2	
Short Term Debt (5)	0.0	0.0	0.0	0.0	0.1	7.1	7.3	19.0	31.4	
Other Current Liabilities	13.6	17.8	14.5	31.0	30.5	28.4	4.3	0.6	0.1	
<b>CURRENT LIABILITIES (3)</b>	28.5	23.3	19.0	45.3	43.3	46.4	27.2	38.1	51.7	
Long Term Debt (6)	2.9	40.0	27.0	32.0	39.0	41.1	47.3	54.4	62.6	
Non Current Liabilities (7)	42.1	41.4	40.7	39.9	46.6	71.5	246.9	431.1	653.5	
Total Debt ST+LT (5)+(6)+(7)	45.0	81.4	67.7	71.9	85.6	119.8	301.5	504.5	747.4	
<b>Total Liabilities (LT+CURRENT) (8)=(3)+(6)+(7)</b>	70.6	64.6	59.6	85.2	89.9	117.9	321.5	523.6	767.7	
<b>SHAREHOLDERS' EQUITY (4)</b>	76.5	11.3	36.5	188.9	127.2	565.3	567.5	573.9	585.4	
<b>TOTAL SH. EQUITY + LIABILITIES (8)+(4)</b>	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1	
<b>Number of Shares (in Millions)</b>	35.4	35.7	40.2	48.2	51.9	51.9	52.5	53.1	53.8	
Share prices as of the end of Year	67.4	78.1	76.0	129.2	179.2	235.0				
Buy-Back amount in millions		-18.8	-354.9	-607.4	-469.9	0.0				

## Financial Statements: Free Cash Flow

• Closed years and Forecast for the next 3 years.

NET CHANGE IN CASH	Historic							Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Amounts in Millions											
Net Profit	-47.0	-65.2	-65.7	-66.7	-61.7	438.1	2.5	7.3	13.1		
Net Change from Operations (Estimated)	-40.0	-64.5	-68.0	-51.3	-100.0	369.1	443.0	531.6	637.9		
Net Change From Investments (Estimated)	-1.2	-2.5	-2.7	-11.0	-18.8	-1.7	-1.2	-0.8	-0.6		
Net Change From Financial Operations (Est.)	122.4	2.2	90.9	218.9	-1.1	-24.8	-29.7	-35.7	-42.8		
<b>NET CHANGE IN CASH (ESTIMATED)</b>	<b>81.1</b>	<b>-64.8</b>	<b>20.2</b>	<b>156.6</b>	<b>-119.9</b>	<b>342.7</b>	<b>754.8</b>	<b>1,249.8</b>	<b>1,844.3</b>		

FREE CASH FLOW	Historic							Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Amounts in Millions											
FREE CASH FLOW FROM OPERATIONS	-40.0	-64.5	-68.0	-51.3	-100.0	369.1	446.7	540.5	654.0		
CAPITAL EXPENDITURES	1.2	2.5	0.0	0.0	17.1	1.7	2.1	2.6	3.3		
<b>FREE CASH FLOW</b>	<b>-41.2</b>	<b>-67.0</b>	<b>-68.0</b>	<b>-51.3</b>	<b>-117.1</b>	<b>367.5</b>	<b>444.6</b>	<b>537.9</b>	<b>650.7</b>		

## SECTION 2. RATIO ANALYSIS

• Closed years and Forecast for the next 3 years.

TOTAL RATIO SCORING		
TOTAL RATIO HISTORIC SCORING:	4 / 10	FORECAST SCORING: 5 / 10

LIQUIDITY RATIOS	Historic							Historic Scoring: 9 / 10		Forecast		Scoring: 10 / 10	
	2014	2015	2016	2017	2018	2019	2020	2021	2022				
Amounts in Millions													
Current Assets (1)	121.9	54.2	77.5	250.6	173.5	608.7	655.9	815.5	1,013.6				
Current Liabilities (2)	28.5	23.3	19.0	45.3	43.3	46.4	27.2	38.1	51.7				
<b>CURRENT or SOLVENCY RATIO (1)/(2)</b>	<b>4.3</b>	<b>2.3</b>	<b>4.1</b>	<b>5.5</b>	<b>4.0</b>	<b>13.1</b>	<b>24.1</b>	<b>21.4</b>	<b>19.6</b>				
DIAGNOSTIC: Is it bigger than 1,5?	YES	YES	YES	YES	YES	YES	YES	YES	YES				
Cash and Banks (1)	105.9	41.0	61.2	217.8	98.3	440.9	551.2	689.0	861.2				
Accounts Receivable (2)	0.4	2.5	2.8	13.6	18.6	104.6	78.2	97.8	122.2				
Current Liabilities (3)	28.5	23.3	19.0	45.3	43.3	46.4	27.2	38.1	51.7				
<b>TREASURY RATIO (1)+(2)/(3)</b>	<b>3.7</b>	<b>1.9</b>	<b>3.4</b>	<b>5.1</b>	<b>2.7</b>	<b>11.7</b>	<b>23.1</b>	<b>20.6</b>	<b>19.0</b>				
DIAGNOSTIC: Is it bigger than 1?	YES	YES	YES	YES	YES	YES	YES	YES	YES				
Shareholders' Equity	76.5	11.3	36.5	188.9	127.2	565.3	567.5	573.9	585.4				
Total Shareholders' Equity+Liabilities	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1				
<b>SHAREHOLDERS EQUITY/TOTAL LIABILITIES</b>	<b>52%</b>	<b>15%</b>	<b>38%</b>	<b>69%</b>	<b>59%</b>	<b>83%</b>	<b>64%</b>	<b>52%</b>	<b>43%</b>				
DIAGNOSTIC: Is it bigger than 40%?	YES	NO	NO	YES	YES	YES	YES	YES	YES				

MARGIN RATIOS	Historic							Historic Scoring: 1 / 10		Forecast		Scoring: 1 / 10	
	2014	2015	2016	2017	2018	2019	2020	2021	2022				
Amounts in Millions													
EBITDA (1)	-39.8	-58.6	-60.3	-60.5	-51.7	-63.6	12.5	20.9	39.2				
Revenues (2)	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6				
<b>EBITDA MARGIN (1)/(2)</b>	<b>-2669.3%</b>	<b>-1149.2%</b>	<b>-495%</b>	<b>-165%</b>	<b>-85%</b>	<b>-95%</b>	<b>15%</b>	<b>20%</b>	<b>30%</b>				
DIAGNOSTIC: Is it bigger than 25%?	NO	NO	NO	NO	NO	NO	NO	NO	YES				
EBIT (1)	-45.9	-64.8	-66.1	-66.7	-59.6	-79.5	-6.1	-1.0	13.5				
Revenues (2)	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6				
<b>EBIT MARGIN (1)/(2)</b>	<b>-3077.1%</b>	<b>-1269.9%</b>	<b>-542%</b>	<b>-182%</b>	<b>-98%</b>	<b>-119%</b>	<b>-7%</b>	<b>-1%</b>	<b>10%</b>				
DIAGNOSTIC: Is it bigger than 15%?	NO	NO	NO	NO	NO	NO	NO	NO	NO				
Net Profit (1)	-47.0	-65.2	-65.7	-66.7	-61.9	438.0	2.2	6.4	11.5				
Revenues (2)	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6				
<b>NET PROFIT / REVENUES (1)/(2)</b>	<b>-3148.9%</b>	<b>-1278.2%</b>	<b>-539%</b>	<b>-182%</b>	<b>-102%</b>	<b>655%</b>	<b>3%</b>	<b>6%</b>	<b>9%</b>				
DIAGNOSTIC: Is it bigger than 10%?	NO	NO	NO	NO	NO	YES	NO	NO	NO				

LONG TERM SOLVENCY RATIOS	Historic			Historic Scoring: 5 /10			Forecast		Scoring: 4 /10	
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Total Liabilities (1)	70.6	64.6	59.6	85.2	89.9	117.9	321.5	523.6	767.7	
Liabilities + Sh. Equity (2)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1	
<b>LEVERAGE RATIO (1)/(2)</b>	<b>48.0%</b>	<b>85.2%</b>	<b>62%</b>	<b>31%</b>	<b>41%</b>	<b>17%</b>	<b>36%</b>	<b>48%</b>	<b>57%</b>	
<b>DIAGNOSTIC: Is it less than 50%?</b>	YES	NO	NO	YES	YES	YES	YES	YES	NO	
Current Liabilities (1)	28.5	23.3	19.0	45.3	43.3	46.4	27.2	38.1	51.7	
Total Liabilities (2)	70.6	64.6	59.6	85.2	89.9	117.9	321.5	523.6	767.7	
<b>TREASURY RATIO (1)+(2)/(3)</b>	<b>40.4%</b>	<b>36.0%</b>	<b>32%</b>	<b>53%</b>	<b>48%</b>	<b>39%</b>	<b>8%</b>	<b>7%</b>	<b>7%</b>	
<b>DIAGNOSTIC: Is it less than 50%?</b>	YES	YES	YES	NO	YES	YES	YES	YES	YES	
EBITDA (1)	-39.8	-58.6	-60.3	-60.5	-51.7	-63.6	12.5	20.9	39.2	
Total Liabilities (2)	70.6	64.6	59.6	85.2	89.9	117.9	321.5	523.6	767.7	
<b>PAYBACK ABILITY RATIO (1)/(2)</b>	<b>-56.4%</b>	<b>-90.7%</b>	<b>-101%</b>	<b>-71%</b>	<b>-57%</b>	<b>-54%</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>	
<b>DIAGNOSTIC: Is it bigger than 30%?</b>	NO	NO	NO	NO	NO	NO	NO	NO	NO	
Financial Debt Short + Long Term (1)	45.0	81.4	67.7	71.9	85.6	119.8	301.5	504.5	747.4	
Shareholders Equity (2)	76.5	11.3	36.5	188.9	127.2	565.3	567.5	573.9	585.4	
<b>FINANCIAL DEBT/SHAREHOLDERS EQUITY</b>	<b>58.9%</b>	<b>722.3%</b>	<b>185%</b>	<b>38%</b>	<b>67%</b>	<b>21%</b>	<b>53%</b>	<b>88%</b>	<b>128%</b>	
<b>DIAGNOSTIC: Is it less than 50%?</b>	NO	NO	NO	YES	NO	YES	NO	NO	NO	

TURNOVER RATIOS	Historic			Historic Scoring: 2 /10			Forecast		Scoring: 0 /10	
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Accounts Receivable (1)	0.4	2.5	2.8	13.6	18.6	104.6	78.2	97.8	122.2	
Revenues (2)	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6	
<b>DAYS SALES OUTSTANDING (1)/(2)*365</b>	<b>104.5</b>	<b>177.9</b>	<b>84.3</b>	<b>135.0</b>	<b>112.4</b>	<b>571.0</b>	<b>341.7</b>	<b>341.7</b>	<b>341.7</b>	
Inventory (1)	0.7	1.7	3.4	6.5	32.7	43.3	12.7	15.0	16.4	
Cost of Goods Sold (2)	41.3	63.7	72.5	97.2	112.2	130.5	71.0	83.6	91.4	
<b>DAYS INVENTORY OUTSTANDING (1)/(2)*365</b>	<b>6.1</b>	<b>9.8</b>	<b>16.9</b>	<b>24.4</b>	<b>106.5</b>	<b>121.2</b>	<b>65.5</b>	<b>65.5</b>	<b>65.5</b>	
Accounts Payable +Other Current Liabilities (1)	21.7	14.4	11.7	29.8	28.0	25.1	17.8	18.8	20.2	
COGS & General Expenses (2)	41.3	63.7	72.5	97.2	112.2	130.5	71.0	83.6	91.4	
<b>DAYS PAYMENT OUTSTANDING (1)/(2)*365</b>	<b>191.4</b>	<b>82.3</b>	<b>58.8</b>	<b>111.9</b>	<b>91.1</b>	<b>70.2</b>	<b>91.6</b>	<b>82.0</b>	<b>80.8</b>	
<b>DIAGNOSTIC: PAYMENT DAYS&gt;SALES DAYS?</b>	YES	NO	NO	NO	NO	NO	NO	NO	NO	
Days Sales Outstanding (1)	104.5	177.9	84.3	135.0	112.4	571.0	341.7	341.7	341.7	
Days Inventory Outstanding (2)	6.1	9.8	16.9	24.4	106.5	121.2	65.5	65.5	65.5	
Days Payment Outstanding (3)	191.4	82.3	58.8	111.9	91.1	70.2	91.6	82.0	80.8	
<b>CASH CONVERSION CYCLE (1)+(2)-(3)</b>	<b>-80.9</b>	<b>105.4</b>	<b>42.4</b>	<b>47.5</b>	<b>127.7</b>	<b>622.0</b>	<b>315.5</b>	<b>325.1</b>	<b>326.3</b>	
<b>DIAGNOSTIC: The more negative, the better</b>	YES	NO	NO	NO	NO	NO	NO	NO	NO	
Revenue (1)	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6	
Assets (2)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1	
<b>ASSET TURNOVER (1)/(2)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	

SELF FINANCING RATIOS	Historic			Historic Scoring: 2 /10			Forecast		Scoring: 10 /10	
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Free Cash Flow (1)	-41.23	-67.01	-67.97	-51.32	-117.08	367.48	444.58	537.86	650.71	
Dividends (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Revenues (3)	1.49	5.10	12.19	36.74	60.51	66.85	83.56	104.45	130.57	
<b>SELF FINANCING OVER REVENUES (1)-(2)/(3)</b>	<b>-2763%</b>	<b>-1314%</b>	<b>-558%</b>	<b>-140%</b>	<b>-193%</b>	<b>550%</b>	<b>532%</b>	<b>515%</b>	<b>498%</b>	
<b>Is it bigger than 10%</b>	NO	NO	NO	NO	NO	YES	YES	YES	YES	
Free Cash Flow (1)	-41.23	-67.01	-67.97	-51.32	-117.08	367.48	444.58	537.86	650.71	
Dividends (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Assets (3)	147.08	75.91	96.15	274.07	217.12	683.21	888.94	1,097.51	1,353.11	
<b>SELF FINANCING OVER ASSETS (1)-(2)/(3)</b>	<b>-28%</b>	<b>-88%</b>	<b>-71%</b>	<b>-19%</b>	<b>-54%</b>	<b>54%</b>	<b>50%</b>	<b>49%</b>	<b>48%</b>	
<b>Is it bigger than 6%</b>	NO	NO	NO	NO	NO	YES	YES	YES	YES	

<b>RETURN ON ASSETS</b>	Historic					Historic Scoring: 1 / 10			Forecast		Scoring: 6 / 10	
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022			
EBIT (1)	-45.9	-64.8	-66.1	-66.7	-59.6	-79.5	-6.1	-1.0	13.5			
Total Assets (2)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1			
ROA (1)/(2)	-31%	-85%	-69%	-24%	-27%	-12%	-1%	0%	1%			
Is it bigger than 10%?	NO	NO	NO	NO	NO	NO	NO	NO	NO			
EBIT (1)	-45.9	-64.8	-66.1	-66.7	-59.6	-79.5	-6.1	-1.0	13.5			
Assets (2)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1			
Current Liabilities (3)	28.5	23.3	19.0	45.3	43.3	46.4	27.2	38.1	51.7			
ROCE on EBIT (1)/(2-3)	-39%	-123%	-86%	-29%	-34%	-12%	-1%	0%	1%			
DIAGNOSTIC: Is it bigger than 15%?	NO	NO	NO	NO	NO	NO	NO	NO	NO			
Free Cash Flow (1)	-41.2	-67.0	-68.0	-51.3	-117.1	367.5	444.6	537.9	650.7			
Assets (2)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1			
Current Liabilities (3)	28.5	23.3	19.0	45.3	43.3	46.4	27.2	38.1	51.7			
ROCE on FCF (1)/(2-3)	-35%	-127%	-88%	-22%	-67%	58%	52%	51%	50%			
DIAGNOSTIC: Is it bigger than 10%?	NO	NO	NO	NO	NO	YES	YES	YES	YES			
Cash Flow from Operations (1)	-40.0	-64.5	-68.0	-51.3	-100.0	369.1	446.7	540.5	654.0			
Assets (2)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1			
CASH FLOW OPERATIONS TO ASSETS (1)/(2)	-27.2%	-85.0%	-70.7%	-18.7%	-46.0%	54.0%	50.2%	49.2%	48.3%			
DIAGNOSTIC: Is it bigger than 10%?	NO	NO	NO	NO	NO	YES	YES	YES	YES			
Free Cash Flow (1)	-41.2	-67.0	-68.0	-51.3	-117.1	367.5	444.6	537.9	650.7			
Revenues (2)	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6			
FCF OVER REVENUES (1)/(2)	-2763.5%	-1313.9%	-557.8%	-139.7%	-193.5%	549.7%	532.0%	514.9%	498.4%			
DIAGNOSTIC: Is it bigger than 8%?	NO	NO	NO	NO	NO	YES	YES	YES	YES			

<b>RETURN ON EQUITY</b>	Historic					Historic Scoring: 2 / 10			Forecast		Scoring: 0 / 10	
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022			
Net Profit (1)	-47.0	-65.2	-65.7	-66.7	-61.9	438.0	2.2	6.4	11.5			
Revenues (2)	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6			
Total Assets (3)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1			
Shareholders' Equity (4)	76.5	11.3	36.5	188.9	127.2	565.3	567.5	573.9	585.4			
Margin (5) = (1)/(2)	-3149%	-1278%	-539%	-182%	-102%	655%	3%	6%	9%			
Turnover (6) = (2)/(3)	0.01	0.07	0.13	0.13	0.28	0.10	0.09	0.10	0.10			
Operating Leverage (7) = (3)/(4)	1.92	6.74	2.63	1.45	1.71	1.21	1.57	1.91	2.31			
ROE Dupont (5)*(6)*(7)	-61%	-579%	-180%	-35%	-49%	77%	0%	1%	2%			
Is it bigger than 15%?	NO	NO	NO	NO	NO	YES	NO	NO	NO			

<b>FINANCIAL LEVERAGE</b>	Historic					Historic Scoring: 8 / 10			Forecast		Scoring: 3 / 10	
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022			
EBIT (1)	-45.9	-64.8	-66.1	-66.7	-59.6	-79.5	-6.1	-1.0	13.5			
Profit Before Tax (2)	-47.0	-65.2	-65.7	-66.7	-61.7	438.1	2.5	7.3	13.1			
Total Assets (3)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1			
Shareholders' Equity (4)	76.5	11.3	36.5	188.9	127.2	565.3	567.5	573.9	585.4			
PBT/EBIT (5)=(2)/(1)	1.02	1.01	0.99	1.00	1.04	-5.51	-0.4	-7.7	1.0			
Assets / Shareh. Equity (6)=(3)/(4)	1.92	6.74	2.63	1.45	1.71	1.21	1.6	1.9	2.3			
FINANCIAL LEVERAGE (5)*(6)	2.0	6.8	2.6	1.5	1.8	-6.7	-0.6	-14.6	2.2			
Is it bigger than 1%?	YES	YES	YES	YES	YES	NO	NO	NO	YES			

DEBT QUALITY RATIOS	Historic			Historic Scoring: 7 / 10				Forecast		Scoring: 4 / 10	
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022		
ST Financial Debt (1)	0.0	0.0	0.0	0.0	0.0	0.1	7.1	7.3	19.0	31.4	
LT Financial Debt (2)+Other LT (7)	45.0	81.3	67.7	71.9	85.6	112.7	294.2	485.5	716.1		
Total Shareholders Equi+Liabilities (3)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1		
<b>DEBT RATIO = (1)+(2)/(3)</b>	<b>31%</b>	<b>107%</b>	<b>70%</b>	<b>26%</b>	<b>39%</b>	<b>18%</b>	<b>34%</b>	<b>46%</b>	<b>55%</b>		
Is it 40%-60%?	NO	NO	NO	NO	NO	NO	NO	YES	YES		
If less than 40%, conservative	CONSERV.			CONSERV.	CONSERV.	CONSERV.	CONSERV.				
Net Profit (1)	-47.0	-65.2	-65.7	-66.7	-61.9	438.0	2.2	6.4	11.5		
ST + LT Financial Debt	45.0	81.4	67.7	71.9	85.6	119.8	301.5	504.5	747.4		
<b>CAPACITY TO SERVICE DEBT</b>	<b>-104%</b>	<b>-80%</b>	<b>-97%</b>	<b>-93%</b>	<b>-72%</b>	<b>366%</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>		
Is it bigger than 40%?	NO	NO	NO	NO	NO	YES	NO	NO	NO		
Financial Expenses	1.1	0.9	0.8	0.0	0.2	0.2	0.4	0.7	1.0		
EBITDA	-39.8	-58.6	-60.3	-60.5	-51.7	-63.6	12.5	20.9	39.2		
<b>EFFECTIVE DEBT COST</b>	<b>-2.9%</b>	<b>-1.5%</b>	<b>-1.3%</b>	<b>0.0%</b>	<b>-0.4%</b>	<b>-0.3%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>2.5%</b>		
Is it smaller than 5%?	YES	YES	YES	YES	YES	YES	YES	YES	YES		

ALTMAN Z-SCORE	Historic			Historic Scoring: 10 / 10				Forecast		Scoring: 10 / 10	
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Current Assets - Current Liabilities (1)	93.4	30.9	58.5	205.3	130.2	562.2	628.7	777.4	962.0		
Shareholders' Equity (2)	76.5	11.3	36.5	188.9	127.2	565.3	567.5	573.9	585.4		
EBITDA (3)	-39.8	-58.6	-60.3	-60.5	-51.7	-63.6	12.5	20.9	39.2		
Short & Long Term Financial Debt (4)	45.0	81.4	67.7	71.9	85.6	119.8	301.5	504.5	747.4		
Market Capitalization (5)	2,386.6	2,788.8	3,059.2	6,231.0	9,296.4	12,189.2	12,798.6	13,438.6	14,110.5		
Asset Turnover (6)	0.01	0.07	0.13	0.13	0.28	0.10	0.09	0.10	0.10		
Assets (7)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1		
<b>ALTMAN Z-SCORE</b>	<b>32.4</b>	<b>18.8</b>	<b>26.4</b>	<b>53.3</b>	<b>66.2</b>	<b>63.0</b>	<b>27.4</b>	<b>17.7</b>	<b>13.0</b>		
DIAGNOSTIC: Is it bigger than 3?	YES	YES	YES	YES	YES	YES	YES	YES	YES		
<i>If Altman z-score bigger than 3, company will not default</i>											

PIOTROSKI F-SCORE	Historic			Historic Scoring: 3 / 10				Forecast		Scoring: 7 / 10	
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022		
EBITDA	-39.8	-58.6	-60.3	-60.5	-51.7	-63.6	12.5	20.9	39.2		
ROA	-27.1%	-77.2%	-62.7%	-22.1%	-23.8%	-9.3%	1.4%	1.9%	2.9%		
Cash Flow From Operations	-40.0	-64.5	-68.0	-51.3	-100.0	369.1	446.7	540.5	654.0		
Free Cash Flow	-41.2	-67.0	-68.0	-51.3	-117.1	367.5	444.6	537.9	650.7		
Net profit	-47.0	-65.2	-65.7	-66.7	-61.9	438.0	2.2	6.4	11.5		
Total Assets (1)	147.1	75.9	96.1	274.1	217.1	683.2	888.9	1,097.5	1,353.1		
Long Term Debt	45.0	81.3	67.7	71.9	85.6	112.7	294.2	485.5	716.1		
EBITDA/Revenues%	-2669.3%	-1149.2%	-494.7%	-164.6%	-85.4%	-95.2%	15.0%	20.0%	30.0%		
Solvency (Current) Ratio	4.3	2.3	4.1	5.5	4.0	13.1	24.1	21.4	19.6		
Revenues (2)	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6		
Asset Turnover (2)/(1)	0.01	0.07	0.13	0.13	0.28	0.10	0.09	0.10	0.10		
Number of Shares (in Millions)	35.4	35.7	40.2	48.2	51.9	51.9	52.5	53.1	53.8		
ROA > 0	0	0	0	0	0	0	1	1	1		
ROA <sub>t0</sub> > ROA <sub>t-1</sub>	0	0	1	1	0	1	1	1	1		
FCF > 0	0	0	0	0	0	1	1	1	1		
CFO > Net Profit	1	1	0	1	0	0	1	1	1		
(LT Debt/ Total Assets) <sub>t</sub> < (LT Debt/ Total Assets) <sub>t-1</sub>	0	0	1	1	0	1	0	0	0		
EBITDA <sub>t</sub> > EBITDA <sub>t-1</sub>	0	1	1	1	1	0	1	1	1		
Asset Turnover <sub>t0</sub> > Asset Turnover <sub>t-1</sub>	0	1	1	1	1	0	0	1	1		
Increase in Shares	1	0	0	0	0	1	0	0	0		
Increase Current Ratio	0	0	1	1	0	1	1	0	0		
<b>PIOTROSKI F-SCORE</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>		
Scoring: 7-9 Optimal; 4-6 Fine; 1-3 Poor											

### SECTION 3. VALUATION MODELS

VALUATION SUMMARY		POWERCELL SWEDEN				18-sep-20
Amounts in Millions	Historical Multiple	Current Multiple	Company Intrinsic Value	# Shares Millions	Intrinsic Share Price	
PBV MULTIPLE VALUATION (1)	53.0	21.6	12,623	51.9	243.4	
PSALES MULTIPLE VALUATION (2)	216.7	182.3	23,807	51.9	459.0	
PE MULTIPLE VALUATION (3)	-48.7	27.8	15,987	51.9	308.2	
PCF MULTIPLE VALUATION (4)	-51.4	33.2	17,267	51.9	332.9	
EV/EBITDA MULTIPLE VALUATION (5)	-79.5	-186.5	9,342	51.9	180.1	
DCF VALUATION (6)			15,683	51.9	302.3	
PE VALUATION TO PEERS (7)			161	51.9	3.1	
EV/EBITDA VALUATION TO PEERS (8)			-139	51.9	-2.7	
<b>MEDIAN INTRINSIC VALUE FROM MODELS (3), (4), (5), (6)</b>			<b>15,835</b>		<b>305.3</b>	

STOCK MARKET VALUE			
	12,189	51.9	235.0

TARGET PRICE ESTIMATED OFFERS % DIFFERENCE TO CURRENT MARKET PRICE	30%	BUY
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If price upside to target price is >25% BUY; If between 10% to 25%, HOLD; If less than 10%, SELL

VALUATION WITH PSALES	Historic							Forecast		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Revenues (1)	1.5	5.1	12.2	36.7	60.5	66.9	83.6	104.5	130.6	
Number of Shares (2)	35.4	35.7	40.2	48.2	51.9	51.9	655.9	815.5	1,013.6	
Share Price (3)	67.4	78.1	76.0	129.2	179.2	235.0				
Market Capitalization (4)=(2)*(3)	2,386.6	2,788.8	3,059.2	6,231.0	9,296.4	12,189.2				
PRICE TO SALES (5)=(4)/(1)	1,599.6	546.8	251.1	169.6	153.6	<b>182.3</b>				

Price per Share using PSales Valuation	Value	% Upside
P/Sales Valuation Year (11)	23,807	
PE/Sales Valuation Avg (12)	28,293	
Number of Shares (Millions) (13)	51.9	
<b>P/Sales Valuation per Share Year (13)/(11)</b>	<b>459.0</b>	<b>95.3%</b>
<b>P/Sales Valuation per Share Avg (13)/(12)</b>	<b>545.5</b>	<b>132.1%</b>
Market Price Current	235.0	

PSALES VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical P/Sales	216.7			
P/Sales (6)	182.3			
	(7)	(8)	(9)	(10)
Revenues	66.9	83.6	104.5	130.6
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
<b>Price to Sales Valuation</b>	<b>12,189</b>	<b>15,236</b>	<b>19,046</b>	<b>23,807</b>
<b>P/Sales Valuation AVG</b>	<b>14,486</b>	<b>18,108</b>	<b>22,635</b>	<b>28,293</b>

VALUATION WITH PBV	Historic							Forecast		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Shareholders' Equity (1)	76.5	11.3	36.5	188.9	127.2	565.3	567.5	573.9	585.4	
Number of Shares (2)	35.4	35.7	40.2	48.2	51.9	51.9	52.5	53.1	53.8	
Share Price (3)	67.4	78.1	76.0	129.2	179.2	235.0	235.0			
Market Capitalization (4)=(2)*(3)	2,386.6	2,788.8	3,059.2	6,231.0	9,296.4	12,189.2	12,337.8			
PRICE TO BOOK VALUE (5)=(4)/(1)	31.2	247.5	83.8	33.0	73.1	21.6	21.7			

Price per Share using PBV Valuation	Value	% Upside
PBV Valuation Year (11)	12,623	
PBV Valuation Avg (12)	31,040	
Number of Shares (Millions) (13)	51.9	
<b>PBV Valuation per Share Year (13)/(11)</b>	<b>243.4</b>	<b>3.6%</b>
<b>PBV Valuation per Share Avg (13)/(12)</b>	<b>598.4</b>	<b>154.7%</b>
Market Price Current	235.0	

PBV VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical PBV	53.0			
PBV (6)	21.6			
	(7)	(8)	(9)	(10)
Shareholders' Equity	565.3	567.5	573.9	585.4
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
<b>Book Value Valuation</b>	<b>12,189</b>	<b>12,237</b>	<b>12,375</b>	<b>12,623</b>
<b>PBV Valuation AVG</b>	<b>29,972</b>	<b>30,089</b>	<b>30,431</b>	<b>31,040</b>



VALUATION WITH PE	Historic							Forecast			
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Net Profit (1)	-47.0	-65.2	-65.7	-66.7	-61.9	438.0	2.2	6.4	11.5		
Number of Shares (2)	35.4	35.7	40.2	48.2	51.9	51.9	52.5	53.1	53.8		
Share Price (3)	67.4	78.1	76.0	129.2	179.2	235.0					
Market Capitalization (4)=(2)*(3)	2,386.6	2,788.8	3,059.2	6,231.0	9,296.4	12,189.2					
PRICE EARNINGS (5)=(4)/(1)	-50.8	-42.8	-46.6	-93.4	-150.3	27.8	5,592.7	1,940.9	1,100.1		

Price per Share using PE Valuation	Value	% Upside
PE Valuation Year (11)	320	
PE Valuation Avg (12)	-560	
Number of Shares (Millions) (13)	51.9	
PE Valuation per Share Year (13)/(11)	6.2	-97.4%
PE Valuation per Share Avg (13)/(12)	-10.8	-104.6%
Market Price Current	235.0	

PE VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical PE	-48.7			
PE (6)	27.8			
	(7)	(8)	(9)	(10)
Net Profit	438.0	2.2	6.4	11.5
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Price Earnings Valuation (11)	12,189	61	179	320
PE Valuation AVG (12)	-21,330	-107	-313	-560

PEG	Historic							Forecast		
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Net Profit (1)	-47.0	-65.2	-65.7	-66.7	-61.9	438.0	2.2	6.4	11.5	
PRICE EARNINGS (2)	-50.8	-42.8	-46.6	-93.4	-150.3	27.8	5,592.7	1,940.9	1,100.1	
EPS Growth (3)		38%	-11%	-15%	-14%	-808%	-100%	188%	76%	
PEG (2)/(3)				6.1	10.9	0.0	-56.2	10.3	14.4	

VALUATION WITH PCF	Historic							Forecast		
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Free Cash Flow (1)	-41.2	-67.0	-68.0	-51.3	-117.1	367.5	444.6	537.9	650.7	
Number of Shares (2)	35.4	35.7	40.2	48.2	51.9	51.9	52.5	53.1	53.8	
Share Price (3)	67.4	78.1	76.0	129.2	179.2	235.0				
Market Capitalization (4)=(2)*(3)	2,386.6	2,788.8	3,059.2	6,231.0	9,296.4	12,189.2				
PRICE TO CASH FLOW (5)=(4)/(1)	-57.9	-41.6	-45.0	-121.4	-79.4	33.2	27.8	23.2	19.4	

Price per Share using PCF Valuation	Value	% Upside
PCF Valuation Year (11)	21,584	
PCF Valuation Avg (12)	-33,477	
Number of Shares (Millions) (13)	51.9	
PCF Valuation per Share Year (13)/(11)	416.1	77.1%
PCF Valuation per Share Avg (13)/(12)	-645.4	-374.6%
Market Price Current	235.0	

PCF VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical PCF	-51.4			
PCF (6)	33.2			
	(7)	(8)	(9)	(10)
Net Profit	367.5	444.6	537.9	650.7
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Price to Cash Flow Valuation	12,189	14,747	17,841	21,584
PCF Valuation AVG	-18,906	-22,872	-27,671	-33,477

VALUATION WITH EV/EBITDA	Historic							Forecast		
Amounts in Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022	
EBITDA (1)	-39.8	-58.6	-60.3	-60.5	-51.7	-63.6	12.5	20.9	39.2	
Long Term Debt + Short Term Debt (2)	45.0	81.4	67.7	71.9	85.6	119.8	301.5	504.5	747.4	
Cash at Banks (3)	105.9	41.0	61.2	217.8	98.3	440.9	551.2	689.0	861.2	
Number of Shares (4)	35.4	35.7	40.2	48.2	51.9	51.9	52.5	53.1	53.8	
Share Price (5)	67.4	78.1	76.0	129.2	179.2	235.0				
Market Capitalization (6)=(4)*(5)	2,386.6	2,788.8	3,059.2	6,231.0	9,296.4	12,189.2	12,337.8	12,488.2	12,640.4	
Enterprise Value (7)=(6)+(-2)-(3)	2,325.8	2,829.1	3,065.6	6,085.1	9,283.8	11,868.0	12,088.1	12,303.7	12,526.6	
EV/EBITDA (8)=(7)/(1)	-58.4	-48.3	-50.9	-100.6	-179.7	-186.5	964.4	589.0	319.8	

Price per Share using EV/EBITDA Valuation	Value	% Upside
EV/EBITDA Valuation Year (14)	-7,306	
EV/EBITDA Valuation Avg (15)	-3,114	
Number of Shares (Millions) (13)	51.9	
EV/EBITDA Valuation p Share Year (14)/(11)	-140.9	-159.9%
EV/EBITDA Valuation p Share Avg (15)/(12)	-60.0	-125.5%
Market Price Current	235.0	

EV/EBITDA VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical EV/EBITDA	-79.5			
EV/EBITDA (8)	-186.5			
	(9)	(10)	(11)	(12)
EBITDA	-63.6	12.5	20.9	39.2
	(8)*(9)	(8)*(10)	(8)*(11)	(8)*(12)
EV Value Estimated	11,868	-2,338	-3,897	-7,306
EV Value Estimated AVG	5,058	-996	-1,661	-3,114
Market Cap Estimated	12,189	-2,088	-3,712	-7,193
EV/EBITDA Valuation per Share	235.0	-39.8	-69.9	-133.7



VALUATION WITH DCF	Historic				Forecast				
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Amounts in Millions									
FREE CASH FLOW (BBG)	-68.0	-51.3	-117.1	367.5	444.6	537.9	650.7	787.2	952.4
WACC				11.4%					
Average Price to Cash Flow (5)				51.45					
Terminal Value (6)=(4)*(5)									48,996.9
Present Value FCF (7)					399.1	433.4	470.6	511.1	555.0
Present Value of Terminal Value (8)									28,554.8
Cash at banks				440.9					
<b>INTRINSIC VALUE (9)=(7)+(8)</b>				<b>31,365.1</b>					
Number of Shares (10)	40.2	48.2	51.9	51.9					
Intrinsic Value per Share (Po) (11)=(9)/(10)				604.7					

VALUATION COMPARED TO PEERS								
Company	Currency	Market Cap	PE	PBV	ROE	EV/EBITDA	Moat	Investment Style
POWERCELL SWEDEN	SEK	12,189	27.8	21.6	77.5%	-186.5	Wide	Large Growth
HUBBELL	USD	6,492	16.8	3.3	21.4%	10.8		
ACUTY BRANDS	USD	3,314	11.1	1.6	15.5%	6.7		
NEL ASA	NOK	1,508		8.0	-13.1%	-40.4		
ITM POWER PLC	GBP	781		8.4	-26.9%	-13.8		
CERES POWER PLC	GBP	712		6.8	-5.4%	-24.9		
SFC ENERGY AG	EUR	176		4.0	-6.6%	55.0		
<b>PEER VALUATION</b>			<b>PE</b>			<b>EV/EBITDA</b>		
AVERAGE SECTOR			14.0			-1.1		
MEDIAN SECTOR (1)			14.0			-3.5		
Company Net Profit (2)			11.5			39.2		
<b>Equity Value (3)=(2)*(1)</b>			<b>161</b>			<b>-139</b>		
Number of Shares			51.9			51.9		
<b>Intrinsic Share Price compared to Peers' Multiples</b>			<b>3.1</b>			<b>-2.7</b>		
Current Share Price			235.0			235.0		
Upside Target in %			-99%			-101%		

SECTION 4. SWOT ANALYSIS and INVESTMENT HIGHLIGHTS

SWOT ANALYSIS

		Internal	
Positive	<b>Strengths</b> <ul style="list-style-type: none"> <li>- Emerging technology</li> <li>- Strategic partners</li> <li>- Competitive patent portfolio</li> <li>- Policy for environment quality</li> <li>- No formal debt</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>- Manufacturing delays</li> <li>- Unable to meet demand</li> <li>- Small company</li> <li>- Weak financials. Business in its early stages</li> </ul>	Negative
	<b>Opportunities</b> <ul style="list-style-type: none"> <li>- Expansion in untapped market</li> <li>- Government programs</li> <li>- More use of fuel cells in electric vehicles</li> <li>- More focus on sustainability</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>- Currency risk</li> <li>- Company adaptation</li> <li>- Lack of regulation</li> <li>- Not a large presence in Asia</li> </ul>	
		External	

INVESTMENT HIGHLIGHTS

Market and Applications: Transportation, Marine and Stationary

PowerCell's product portfolio

Product/prototype	Type	Output (kW)	Fuel	Example of area of application
S2	Fuel cell stack	1-35	Hydrogen or reformed gas	Households and range extenders (REX) for vehicles
S3	Fuel cell stack	30-125	Hydrogen	Propulsion and stationary applications
PS-5	Fuel cell system (based on S2)	1-5	Hydrogen	Real-estate, telecom and safety system
MS-30	Fuel cell system (based on S2)	10-30	Hydrogen	Range extender (REX) in electrical vehicles and boats
MS-100	Fuel cell system (based on S3)	50-100	Hydrogen	Propulsion of vehicles and stationary applications

Group Strategy

PowerCell is evolving into a company that is close to its customers and organised to meet their expectations. Outstanding research facilities and an experienced team can address the challenges associated with high-technological and sustainable offerings.

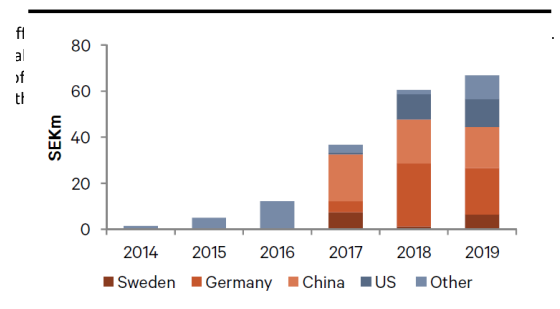
- **Unique laboratory** - Besides our employees' extensive fuel cell technology expertise, PowerCell also offers one of the world's most powerful fuel cell and reformer laboratories.
- **Competitive patent portfolio** - PowerCell always aims for pioneering technological development and allocates extensive resources to protecting technologies with patents. Patents relates to the fundamental technology, and first and foremost everything within the key areas of fuel cell stacks and reformers.
- **Policy for environment and quality** - PowerCell develops and supplies fuel cells, systems and services that lower the environmental impact from energy generation and at the same time create a value for the customers through high product efficiency and durability
- **Core value** – Quality, Safety and Environmental Care

Growth drivers

Important events in January-March 2020

PowerCell's Chinese subsidiary announces the first order

PowerCell's revenue has grown rapidly, and diversified in recent years



Source: Company reports

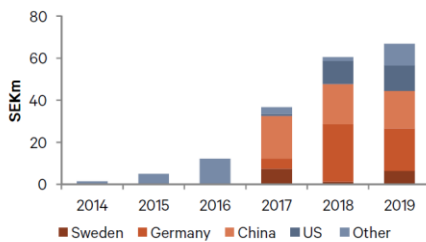
- PowerCell's Chinese subsidiary receives its first order
- PowerCell delivers MS-30 fuel cell system to the Italian ship building company Fincantieri S.p.A
- PowerCell and Inabata & CO Ltd., sign exclusive distribution agreement for the Japanese market
- PowerCell joins Swedish Electromobility Center
- Bus with PowerCell S2 in daily operations in China has run the equivalent of one lap around the globe
- PowerCell receives order for PowerCell S3 from Bosch for a total value of MSEK 11.5
- PowerCell signs contract with leading European shipyard regarding fuel cell system worth MSEK 77

**Future**

- Volvo Group and Daimler on April 21 announced a joint multi-billion SEK effort to develop fuel cells for commercial vehicles.
- **Martin Daum, President of Daimler Trucks, made the forecast that in 20 years' time 95 percent of all heavy-duty trucks will use fuel cells.** The message from the world's two largest truck manufacturers is more than welcome as it will speed up the transition to the hydrogen society and a broad deployment of the fuel cell technology within an increasing number of applications

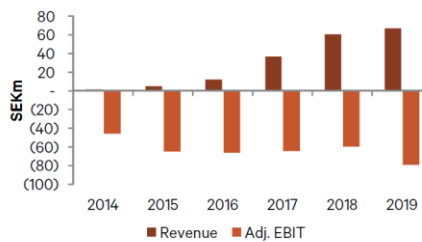
Analysts are clearly in love with PowerCell Sweden at the moment, but before diving in – you should be aware that we've identified some warning flags with the business, such as concerns around earnings quality and the hydrogen powercell technology development and adoption into daily life.

**PowerCell's revenue has grown rapidly, and diversified in recent years**



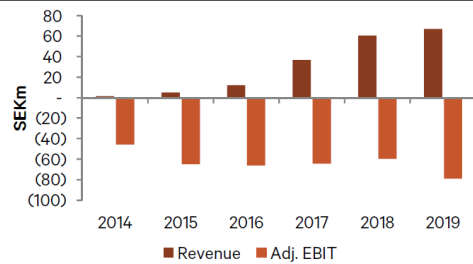
Source: Company reports

**Investment in people and technology means the adjusted EBIT losses are widening**



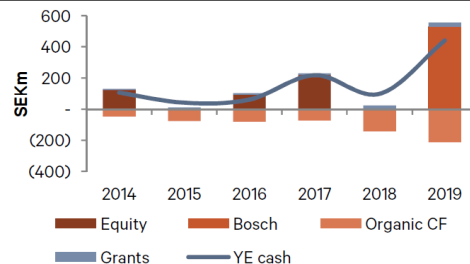
Source: Company reports

**Profitability has not improved as revenue has grown**



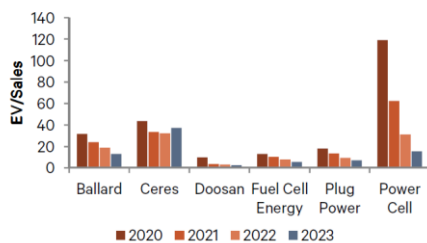
Source: Company reports, Berenberg

**Cash flow was supported by equity raises and government grants until the Bosch licence fee was received in Q2 2019**



Source: Company reports, Berenberg

**Fuel-cell companies are trading on large EV/sales multiples, indicating that the market is focusing on the longer-term potential**



**PowerCell has global partners across important sectors, but only Bosch has progressed to a commercial contract at this stage**



Source: Company reports

**Research Disclaimer**

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