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## **PowerCell receives follow-on order for S2 fuel cell stacks from Chinese automotive supplier**

Gothenburg, Sweden, September 6, 2019

**PowerCell Sweden AB has received a follow-on order for PowerCell S2 fuel cell stacks from a Chinese supplier to the automotive industry. The order is worth MSEK 1,3 and will be delivered during the third quarter.**

The customer develops and market products for the Chinese automotive industry and is a supplier to both the commercial vehicle and passenger car industry. The S2 stacks now on order will be integrated in fuel cell systems for use in vehicles by one of the supplier's customer.

Despite the fact that China is home to some of the world's largest manufacturers of batteries for electric vehicles, and also has the largest populations of battery electric vehicles in the world, China has decided to phase out government subsidies for battery electric vehicles and to introduce large subsidies for vehicles that are electrified with fuel cells. Since the end of June when the subsidies were scrapped, the demand for electric vehicles in China has dropped substantially. According to the China Association of Automobile Manufactures, domestic sales of battery electric vehicles dropped by 80,000 in July. According to the news site 24/7 Wall Street, lower Chinese sales was the main reason for why the month of July marked the first drop in global sales of electric vehicles since 2008.

“China has tried to electrify its automotive fleet with battery technology but has concluded that it is not a viable option in a country where a large part of the population lives in apartment buildings in mega-cities”, Per Wassén, CEO of PowerCell said. “In addition to the problem of how to build enough charging stations, the Chinese have come to realize that grid capacity is a bottle neck when the total proportion of battery electric vehicles becomes too high. This is a development that the West will experience as well and that makes hydrogen and fuel cells the only long-term viable alternative for the needed electrification of the automotive sector.”

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**About PowerCell Sweden AB (publ)**

PowerCell Sweden AB (publ) develops and produces fuel cell stacks and systems for stationary and mobile applications with a world class energy density. The fuel cells are powered by hydrogen, pure or reformed, and produce electricity and heat with no emissions other than water. As the stacks and systems are compact, modular and scalable, they are easily adjusted to any customer need.

[PowerCell](#) was founded in 2008 as an industrial spinout from the Volvo Group. The share (PCELL) is since 2014 subject to trade at Nasdaq First North Stockholm. G&W Fondkommission is Certified Adviser, e-mail: [ca@gwkapital.se](mailto:ca@gwkapital.se), phone: +46 8 503 000 50.