Soltech

Soltech Energy Solutions has entered into a partnership agreement with Norwegian solar park developer and investor Solgrid. They will act as investors and owners in several solar park projects that Soltech Energy Solutions will develop, install and maintain.

» Read more

INTERIM REPORT

1 APRIL – 30 JUNE **2023**

SOLTECH ENERGY SWEDEN AB (publ)

Continued profitability in operations and strong growth

QUARTER 2 **1 APRIL – 30 JUNE**

- Total consolidated revenue increased by 70% to SEK 743.3 (437) million. Growth was driven by acquisitions and organic growth.
- The Group's organic growth amounted to 31% (35%) adjusted for the effects of exchange rate fluctuations. All segments show good organic growth with a continued strong demand for services where solar transformation contributes to new business opportunities.
- EBITDA totalled SEK 31.8 (-44.2) million. The improvement in performance is attributed to an ongoing focus on profitability, hard work, synergies and improved purchasing processes.
- Operating profit/loss (EBIT) amounted to SEK 14.4 (-46.7) million.
- Cash flow from operating activities for the period SEK 40.9 (-42) million.
- Earnings per share before and after dilution amounted to SEK -0.05 (-0.42).

KEY EVENTS DURING THE QUARTER:

- This is the Group's first financial report prepared in accordance with IFRS. Comparative figures have also been recalculated.
- On 3 April, through the subsidiary Takorama AB, Soltech acquired 100% of the electrical engineering company Din elkontakt i Kungälv AB.
- Soltech's annual general meeting was held on 11 May.

INTERIM PERIOD: **1 JANUARY – 30 JUNE**

- Total consolidated revenue increased by 96% to SEK 1,426.3 (724.4) million. Growth was driven by acquisitions and organic growth.
- The Group's organic growth amounted to 39% (39%) and was not affected by exchange rate fluctuations. All segments show good organic growth with a continued strong demand for services where solar transformation contributes to new business opportunities.
- EBITDA totalled SEK 39 (-74.4) million. The improvement in performance is attributed to an ongoing focus on profitability, hard work, synergies and improved purchasing processes.
- Operating profit/loss (EBIT) amounted to SEK 4.9 (-83.8) million.
- Cash flow from operating activities for the period amounted to SEK 0.4 (-113) million.
- Earnings per share before and after dilution amounted to SEK -0.35 (-0.85).

KEY EVENTS DURING THE PERIOD:

- This is the Group's first financial report prepared in accordance with IFRS. Comparative figures have also been recalculated.
- During the first half-year, Soltech completed four add-on acquisitions. Acquired companies are Vårgårda Solenergi AB, Plåtteamet i Örnsköldsvik AB, Arvika Elinstallationer AB and Din Elkontakt i Kungälv AB.

SELECTED KEY RATIOS (Amounts in SEK thousands unless otherwise indicated)	**2023** April – June *3 months*	**2022** April – June *3 months*	**2023** January – June *6 months*	**2022** January – June *6 months*
Net sales	**742,567**	436,973	**1,422,786**	718,918
Sales trend **%**	**70%**	126%	**98%**	76%
Organic growth **%**	**31%**	35%	**39%**	39%
Gross profit margin **%**	**35%**	30%	**34%**	33%
Operating profit/loss **(EBIT)**	**14,381**	-46,708	**4,925**	-83,841
Operating profit/loss before depreciation and amortisation **(EBITDA)**	**31,825**	-44,216	**39,015**	-74,361
Profit/loss for the period	**-6,201**	-42,481	**-46,145**	-85,713
Earnings per share **(SEK)**	**-0.05**	-0.42	**-0.35**	-0.85
Earnings per share after dilution **(SEK)**	**-0.05**	-0.42	**-0.35**	-0.85
Cash flow from operating activities	**40,940**	-41,976	**372**	-113,129
Equity ratio**%**	**43%**	51%	**43%**	51%
Number of shares	**131,287,028**	100,964,973	**131,287,028**	100,964,973
Equity per share(**SEK)**	**9.01**	9.80	**9.01**	9.80
Equity per share after dilution**(SEK)**	**8.84**	9.80	**8.84**	9.80


A GREEN CASH COW ON THE ROOF
Solar technology company Soltech Energy Solutions is investing heavily in the Energy as a Service concept. Solar panels, charging stations and storage – without having to invest a single penny.
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Soltech Energy Solutions
+
SOLGRID

CEO STATEMENT

Strong increase in profitability

Soltech once again delivers both strong growth and a strong improvement in profitability. Growth continues to be at a high level and our EBITDA is SEK 31.8 million for the quarter, which is an increase of SEK 76 million compared to the previous year. Our focus on profitable complete solutions with specialists in solar, roof, facade and electrical engineering is starting to show results.

THIRD CONSECUTIVE PROFITABLE QUARTER

During spring 2022, we shifted our strategy from a focus on growth to a focus on profitability. We already delivered on this in Q4 2022 in the underlying business, as well as in Q1 2023. We are pleased to now present Q2 2023 with an EBITDA of SEK 31.8 (-44.2) million, an improvement of SEK 76 million. The Group's total revenue was SEK 743.3 million (437), an increase of 70% and our organic growth was 31 (35)%. Since the summer of 2022, we have been conducting extensive profitability work with a focus on continuous improvement of our processes, quality, purchasing, warehousing and logistics. I would like to thank all the staff for this wonderful achievement. Focus brings results.

GREAT ECONOMIC OPPORTUNITIES IN SOLAR PARKS

In recent years, our subsidiary Soltech Energy Solutions has skilfully built up a large business area in solar parks. The results are now starting to show and our first news about this was Soltech Energy Solutions' deal with Norwegian company Solgrid, which we announced on 20 June. The deal involves project development of a 300 MW solar park, and the total order volume is forecast at SEK 700 – 1000 million over a 3 to 4 year period.

Our second announcement regarding the great business opportunities in solar parks came on 10 July when we announced that Soltech has started a project to identify investors for the majority of the solar park and battery portfolio we have built up of over 1000 MW. I am really looking forward to telling you more about this project in future reports.

WE WELCOME TWO NEW COMPANIES

Our strategy of developing traditional roofing, facade and electrical engineering companies into solar energy sellers continues. For Takorama, which has been part of Soltech since 2020, we acquired Din Elkontakt in April. Din Elkontakt's expertise in electrical engineering and solar energy has become a strong addition to Takorama's existing solar department. In early July, we welcomed our fifth electrical engineering company, Technical Solutions (Tlab). Together with its sister companies, the Danderyd-based company will now increase the proportion of solar energy in its product range, increasing both turnover and profit. A warm welcome to all employees of these two companies.

SOLTECH HAS A BROAD FOUNDATION

The Soltech Group supplies solar energy, charging and storage in Sweden, the Netherlands and Spain. We also have our business areas in roofing, facade and electrical engineering, which are also delivering more and more solar solutions. This makes us more resilient compared to our competitors, which makes us better equipped to deal with economic volatility.

CLIMATE DISASTERS SHOULD PROMPT AND ACCELERATE LEGAL REQUIREMENTS FOR SOLAR ENERGY

During June, July and August, the world was hit by natural disasters with catastrophic consequences. Record heat waves, floods and fires are ravaging our planet, and all the evidence suggests that much of what is happening is the result of human emissions, including greenhouse gases. I believe that the world's countries should introduce more laws and regulations on greenhouse gas emissions, which could drive clear legal requirements for solar energy as an energy source and hopefully speed up and facilitate authorisation processes. There are already major climate packages in the US and the EU, where the EU Green Energy Transition means that all new buildings over a certain size must have solar energy by 2028, and this applies to public buildings from 2026.

CHALLENGING ENVIRONMENTAL FACTORS

We continue to live in an environment affected by war, terrorist threats, soaring interest rates and inflation, making the future difficult to predict. All this affects listed companies in particular, and Soltech is one such company. But I firmly believe that the sun comes out after the rain, and as long as we keep delivering quality, profitability and growth, we will reach new heights.

Join us for an exciting autumn.

Stefan Ölander, CEO

Our operations

Soltech Energy's origins lie in an innovation that was conceived at the KTH Royal Institute of Technology at the start of the 2000s. Since then, the company has developed, sold and installed solar energy solutions for property owners, landowners and individuals, as well as for agriculture and society in general. Since 2019, Soltech has a clear strategy as an acquisition company and the Group's growth journey was initiated to increase the pace and accelerate the green transition with solar energy as a platform.

Soltech is a comprehensive supplier with market-leading expertise in solar technology and advanced installations in technology, charging and storage solutions for future-proof green energy solutions. The Group's overall goal is to integrate solar into the everyday, and we are working to contribute to the green transition while also creating value for our shareholders, who number around 80,000.

Our companies develop, sell, instal and optimise not only solar energy solutions but also charging and smart storage solutions, as well as services in electrical engineering, roofing and facade contracting.

By taking responsibility for the entire value chain, from innovation and development to installation and service, all types of properties can be converted into efficient energy producers with our help. Many customers also demand large-scale external solar energy solutions for roofs, especially in the commercial sector. Solar parks are a growing source of energy and we are developing land for large-scale solutions with associated energy storage such as battery parks and charging stations.

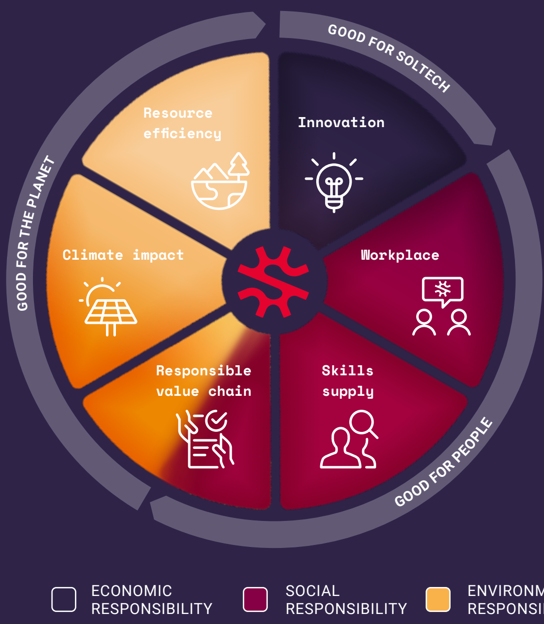
We are facing a major energy revolution where the rapidly increasing demand for electricity will create new requirements. In order to meet the increased demand, we are helping property owners and landowners to both produce their own green electricity and make optimal use of it. Our aim is therefore to grow even more within the area of charging and storage solutions, as well as in smart technical combination solutions, so as to optimise the properties' use of energy.

THE ACQUISITION JOURNEY THAT IS CHANGING SOCIETY

Our acquisition and growth strategy is unique and based on acquiring companies in the solar, roofing, electrical engineering and facade sectors in Sweden, the Netherlands and Spain. In addition to new business opportunities, the acquisition strategy also creates synergy effects for existing subsidiaries, our customers and shareholders and, not least, for the climate. We acquire prosperous companies with strong local ties and are an entrepreneurial group with interdisciplinary competences where everyone is needed, contributes and creates value. By transforming companies in traditional industries, we become an active and important force for societal change. We transform companies into companies of the future with solar energy as a platform. Adding solar energy to the acquired companies' product offering future-proofs the businesses and meets customers' changed demands and needs for renewable energy.

SUSTAINABILITY

Since 2022, we have been working on a sustainability agenda in the six sustainability areas that represent the most important issues for the Group. In this way, we not only have an environmental goal of integrating more of the sun into everyday life –we are also part of the solution to the social, environmental and economic challenges facing our industries. The Soltech Group consists of companies from different industries and our sustainability work reflects and includes the most important issues for all businesses.



Our aim is to make sustainability work good for the planet, for people, for Soltech and for the economy. As we are and want to remain part of the solution, we link our sustainability work to the 2030 Agenda to make it easier to understand how our activities affect the world around us.

Through company acquisitions, Soltech has welcomed dozens of committed contractors and their employees who, with their various core competencies, open new doors for each other. Our various competencies mean that, together, we can offer the market new types of complete solutions, and it is not uncommon for several of our subsidiaries to collaborate on projects. To continue growing, efforts are ongoing to identify more companies, while we continue our strong organic growth and invest in existing companies.

We are working to build a strong solar energy group and a modern energy movement that makes a difference and integrates solar power into the everyday lives of more people.

Financial performance during the second quarter 1 April – 30 June 2023

NET SALES AND GROWTH

Revenue for the quarter amounted to SEK 743.3 (437) million, which is an increase of 70 per cent compared to the corresponding quarter last year.

Growth was driven by acquisitions and organic growth of 31 per cent, excluding effects from exchange rate fluctuations. All of the business areas are reporting very good organic growth, with continued strong demand for our services.

OPERATING PROFIT/LOSS

Operating profit/loss (EBIT) for the quarter amounted to SEK 14.4 (-46.7) million, which is an increase of SEK 61.1 million compared to the corresponding quarter last year.

The improvement is driven by continuous work with a focus on profitability, while the second quarter also showed increased synergy effects and effects from improved purchasing processes.

Soltech's business is to some extent affected by seasonal variations related to weather conditions, holiday taking and the calendar effects of public holidays. Normally, activity is somewhat lower in the first quarter, especially in the Swedish portion of the business.

FINANCIAL ITEMS

Financial items have impacted profit before tax by SEK -5.1 (-1.6) million and consist mainly of non-cash present value effects relating to contingent consideration and acquisition options.

Soltech holds a long-term loan receivable from associated companies where a release of loss provisions has affected net financial items by SEK 5.2 million.

TAX

The Group's tax expense in the period amounted to SEK 3.0 (2.0) million. The tax expense increased as a consequence of improved results compared to the same period last year.

PROFIT/LOSS FOR THE PERIOD

Soltech has a holding of approximately 29 per cent in Advanced Soltech Sweden AB (publ) ("ASAB"), which is recorded as participations in associated companies of SEK 188 million as of 30 June 2023. As at 30 June 2023, the market value amounted to SEK 11.3 per share and with a weighted volume price of SEK 13.2 per share during the first half-year, the market valuation for the capital share was equivalent to approximately SEK 151 million. No impairment has been recognised during the period.

Profit/loss from participations in associated companies has affected profit before tax by SEK -12.5 (7.8) million.

Profit/loss for the period amounted to SEK -6.2 (-42.5) million. Earnings per share after dilution totalled SEK -0.05 (-0.42) and earnings per share after dilution totalled SEK -0.05 (-0.42).

FINANCIAL ITEMS	2023 April – June 3 months	2022 April – June 3 months	2023 January – June 6 months	2022 January – June 6 months	2022 Jan. – Dec. 12 months
Interest expenses	**-2,066**	-2,673	**-4,314**	-3,821	-6,732
Interest on leases	**-520**	-336	**-1,049**	-586	-1,601
Exchange rate differences	**-58**	-	**-476**	-	-566
Other	**-231**	-	**-475**	-3,597	-8,908
Present value calculation of contingent consideration	**-11,225**	-100	**-25,042**	-100	-24,500
Financial expenses	**-14,099**	**-3,109**	**-31,357**	**-8,104**	**-42,306**
Interest income	**780**	701	**811**	1,101	1,782
Exchange rate differences	**225**	-	**198**	-	3,051
Revaluation, receivables associated companies	**5,232**	-	**5,232**	-	-
Other	**2,741**	827	**3,444**	1,253	-
Financial income	**8,980**	**1,528**	**9,685**	**2,354**	**4,834**
NET FINANCIAL ITEMS	**-5,120**	**-1,581**	**-21,671**	**-5,750**	**-37,473**

CASH FLOW AND INVESTMENTS

Cash flow from operating activities before changes in working capital amounted to SEK 55.5 (-42.0) million. Cash flow from operating activities for the period amounted to SEK 40.9 (-42.0) million. The change in working capital is largely attributable to increased inventory and increased accounts receivable as a result of the Group's sales growth.

Cash flow from investing activities amounted to SEK -149.8 (-60.8) million and was mainly driven by investments in solar parks as well as acquisitions of subsidiaries and contingent consideration payments.

Cash flow from financing activities amounted to SEK 151.5 (-3.1) million and was mainly affected by loans raised in the form of extensions.

Total cash flow for the quarter amounted to SEK 42.6 (-105.9) million.

CASH FLOW AND FINANCIAL POSITION

At the end of the period, the Group's cash and cash equivalents totalled SEK 276.6 (150.1) million.

The equity ratio was 43 (51) per cent on 30 June 2023 and equity was SEK 1,183 (989) million. Total assets as at 30 June 2023 amounted to SEK 2 725 (1 945) million. Changes since year-end mainly consist of increased accounts receivable and inventories as a consequence of increased activity in the solar segment and increased current liabilities following an increase in the Group's tax provision.

Financial performance during Half-year period 1 Jan – 30 June 2023

NET SALES AND GROWTH

Revenue for the period amounted to SEK 1,426.3 (724.4) million, which is an increase of 96 per cent compared to the corresponding period last year.

The growth was driven partly by effects from acquisitions but also by strong organic growth of 39 per cent. All of the business areas are reporting very good organic growth, with continued strong demand for our services.

OPERATING PROFIT/LOSS

Operating profit/loss (EBIT) for the interim period amounted to SEK 4.9 (-83.8) million which is an improvement of SEK 88.7 million compared to the corresponding period last year.

The improvement is primarily driven by a strong focus on profitability, synergy effects and effects from improved purchasing processes.

FINANCIAL ITEMS

Financial items have impacted profit before tax by SEK -21.7 (-5.8) million and consist mainly of non-cash present value effects relating to contingent consideration and acquisition options. Soltech holds a long-term loan receivable from associated companies where a revaluation has affected net financial items by SEK 5.2 million.

TAX

The Group's tax expense in the period amounted to SEK 5.3 (-1.2) million. The tax expense increased as a consequence of increased activity compared to the same period last year.

PROFIT/LOSS FOR THE PERIOD

Profit/loss from participations in associated companies has affected profit before tax by SEK -24.1 (2.7) million.

Profit/loss the first half of the year amounted to SEK -46.1 (-85.7) million. Earnings per share before and after dilution amounted to SEK -0.35 (-0.85).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities before changes in working capital amounted to SEK 59.3 (-89.6) million. Cash flow from operating activities for the period amounted to SEK 0.4 (-113.1) million. The change in working capital is largely attributable to increased inventory and increased accounts receivable as a result of the Group's sales growth.

Cash flow from investing activities amounted to SEK -164.9 (-64.2) million and was mainly driven by investments in solar parks as well as acquisitions of subsidiaries and contingent consideration payments.

Cash flow from financing activities amounted to SEK 165.5 (-8.8) million and was mainly affected by loans raised in the form of extensions. Total cash flow for the quarter amounted to SEK 1.0 (-1) million.

During the year, Soltech's subsidiary Soltech Energy Solutions continued to build its solar park business area and invested SEK 32 million in these facilities. The majority of the investment relates to the company's own facility, Öringe solar park.

No dividends were paid or declared during the period.

EVENTS AFTER THE BALANCE SHEET DATE

- On 5 July, Soltech acquired 100% of the shares in Tekniska lösningar i Täby AB (Tlab) which it took possession of on 6 July. The acquisition was financed with own funds and with newly issued shares.
- As part of the refinancing of the associated company Advanced Soltech, Soltech has participated in a directed new issue and paid the issue proceeds of SEK 60 million.
- On 11 July, Soltech acquired the remaining 30% of Takorama Aktie bolag. The acquisition was financed from own funds.
- Soltech commissioned advisors to identify investors for the solar park portfolio of over 1000 MWp that has been built up over the last two years.
- The solar technology company Provektor has been commissioned to install an over 5,200 m^2 large roof-placed solar cell plant for Åkerholmen Lantbruk in Falköping.

PERSONNEL

The number of employees in the Group as of 30 June 2023 was 946 (589).

Personnel expenses in the first half-year period amounted to SEK 328.8 (229.8) million. The increase was primarily a result of company acquisitions that have been made, but it is also a result of investments and further efforts made in existing operations.

OUTSTANDING STOCK-RELATED INCENTIVE SCHEMES

Soltech has an outstanding stock option scheme corresponding to 2,552,500 shares aimed at Group management and key people in the Group. The stock options have been transferred on market terms at a price determined on the basis of a calculated market value using the Black & Scholes valuation model calculated by an independent valuation institute. Conditions for the subscription price per share correspond to 130% of the volume-weighted average price over ten trading days after the 2023 AGM, which corresponds to SEK 15.6 per share.

SUMMARY OF SIGNIFICANT RISKS

Doing business involves risk. The business and the Company's profit/loss and financial position are affected partly by internal factors that Soltech can control, and partly by external factors where the Company's ability to influence is limited. When assessing the Company, it is important to consider a number of risk factors, a selection of which are presented in summary below.

THE WAR IN UKRAINE

The war in Ukraine has had a major impact on the world economy, and a sharp economic downturn may affect Soltech's business. The war has an indirect effect on the Group's expenses, as the price trend for the components required for the manufacture of solar cell systems, roof systems, electrical installations and facades may be affected. Soltech makes no sales to or purchases from Russia or Ukraine.

SUPPLY AND INDUSTRY RISKS

The Company is dependent on deliveries functioning from its suppliers in order to continue to sell and distribute solar panels. The Covid-19 pandemic and the war in Ukraine are clear and unforeseen examples of external factors that may affect supply chains and deliveries to customers. The production of photovoltaic panels is a high-tech, costly and relatively slow process and there is a risk that there may be disruptions in production. From time to time, components for manufacturing photovoltaic cells have experienced fluctuations in supply and demand. Demand has increased – partly as a result of higher energy prices, which means that there is a risk that component prices will increase or availability will decrease, which could lead to delays and ultimately to reduced sales and significant changes in transport costs.

GLOBAL FINANCIAL CONDITIONS

Global economic conditions are likely to affect the Company's product sales. The Company's activities are to some extent in line with the fluctuations in the construction industry. This sector is notoriously sensitive to economic volatility, and during economic downturns the construction industry always suffers a significant drop in both demand and profitability. There is therefore a risk that the Company's ability to generate revenue is affected by a global economic downturn or recession.

CHANGES IN EXCHANGE RATES AND MARKET INTEREST RATES

Concerns in the currency market entail currency risks as the Company operates in an international market and also purchases components in currencies other than Swedish kronor. A weakening of the Swedish krona against the Euro and the USD would result in increased costs for the procurement of these components and affect the Company's results and financial position. The Group's currency exposure also increases with the acquisitions in the Netherlands and Spain in 2022. Rising market interest rates can affect customers' willingness to buy and their purchasing calculations. Some of Soltech's products are capital intensive and are amortised over many years. Increased interest rates may thus lead to a deterioration in the calculation of customers' repayment periods, which in turn leads to a reduction in sales. Similar risks also exist in the roofing, cladding and electrical engineering sectors.

FINANCING AND CONTINUITY

To fulfil Soltech's long-term growth targets, there is a need for financing both working capital and potential future acquisitions. Future capital procurement and financing is evaluated on an ongoing basis and opportunities for increased financing are affected by factors such as external factors. The Board of Directors and the CEO continuously assess Soltech's liquidity and financial resources in the short and long term. For the coming 12-month period, liquidity supply is deemed to be secured by improved profitability and the Group's ability to utilise tax deferrals, among other things. For a more detailed description of risks and uncertainty factors, please refer to the 2022 Annual Report.

PARENT COMPANY

The parent company's activities consist primarily of acquisition activities, as well as supporting the subsidiaries in marketing and communication, IT, business development/innovation, finance and sustainability and HR.

1 JANUARY – 30 JUNE 2023

- Revenue for the parent company during the first half of the year amounted to SEK 25.3 (15.3) million.
- The parent company's earnings before interest, tax, depreciation and amortisation (EBITDA) during the first half of the year amounted to SEK -8.2 (-17.4) million and EBIT amounted to SEK -8.3 (-17.4) million.
- The parent company's equity ratio as of the reporting date amounted to 76% (83%).
- During the period, non-current liabilities decreased by SEK 100 million, mainly as a consequence of contingent consideration paid. Otherwise, no significant changes have occurred in the parent company's balance sheet during the reporting period.

Revenue and profit/loss by segment

Operating profit/loss before depreciation, amortisation and impairment of intangible assets and property, plant and equipment (EBITDA) is the performance measure reported to the chief operating decision maker as a basis for allocating resources and assessing segment performance.

Group-wide refers to group-wide income and expenses for certain central functions that are not allocated to the segments.
Below is an analysis of the Group's revenue and profit for each reportable operating segment:

2023 SEK 000s 1 January – 30 June	SOLAR	ROOFING	ELECTRICAL ENGINEERING	FACADE	GROUP-WIDE & ELIMINATION	Total
Total revenue	767,908	373,900	224,806	109,007	-49,297	**1,426,323**
EBITDA	52,065	9,446	7,507	2,056	-32,058	**39,015**
Profit from participations in associated companies	-	-	-	-	-24,063	**-24,063**
Depreciation/amortisation and impairment	-	-	-	-	-34,090	**-34,090**
Financial income	-	-	-	-	9,685	**9,685**
Financial expenses	-	-	-	-	-31,357	**-31,357**
Profit/loss before tax						**-40,809**

2022 SEK 000s 1 January – 30 June	SOLAR	ROOFING	ELECTRICAL ENGINEERING	FACADE	GROUP-WIDE & ELIMINATION	Total
Total revenue	274,309	227,572	148,169	73,550	848	**724,449**
EBITDA	-18,200	-340	-25,170	-1,894	-28,757	**-74,361**
Profit from participations in associated companies	-	-	-	-	2,655	**2,655**
Depreciation/amortisation and impairment	-	-	-	-	-9,480	**-9,480**
Financial income	-	-	-	-	2,354	**2,354**
Financial expenses	-	-	-	-	-8,104	**-8,104**
Profit/loss before tax						**-86,935**

Segment information

The Group's various business areas form the basis of the Group's internal reporting structure and are evaluated and analysed by the Chief Executive Officer for decisions on the allocation of resources and the evaluating the performance of the Group.

OPERATING SEGMENT

SOLAR

The Soltech Group encompasses the solar companies 365zon, Measol, Soldags i Sverige, Soltech Energy Solutions and SUD Renovables. The companies deliver solar energy solutions to all kinds of customers and conduct operations relating to the design and installation of solar panel systems on roofs, facades and solar parks. The companies also offer charging, battery and other energy optimising services.

ROOFING

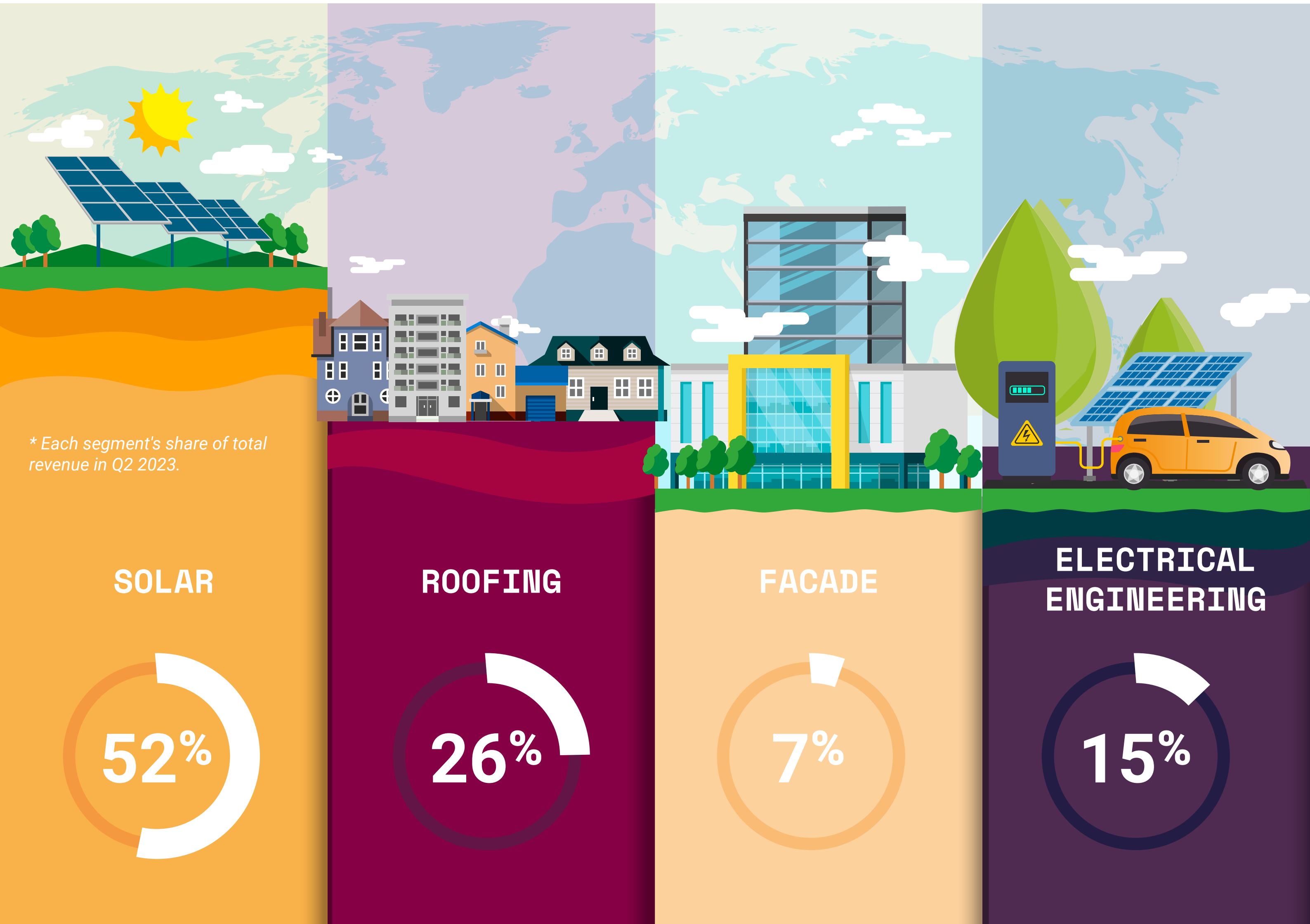
The Soltech Group consists of eleven solar roofing companies with associated add-on acquisitions: NP Gruppen, Takorama, Din Taklüggare i Värmland, Takrekond i Småland, Annelunds Tak and Ljungs Sedum Entreprenad, Takbyrån i Alingsås, Tak & Bygg i Falun, Takab i Jönköping as well as Wettergrens Tak & Plåtslageri. The roofing companies work with all types of roofs and, with Soltech's transformation, also offer solar energy solutions. During the year, Takrekond i Kalmar merged into Takrekond i Småland and Falu plåtslageri merged into Tak & Bygg i Falun.

FACADE

Fasadsystem i Stenkullen and Essa Glas & Aluminium are the Group's two solar facade companies. The companies provide exterior and interior glass and aluminium facades and develop solar energy solutions for solar panels integrated into facades.

ELECTRICAL ENGINEERING

The Group's solar technology companies with associated add-on acquisitions are Provektor, Rams El, TG:s El i Finspång and E-Mobility. From 5 July 2023, Tlab is also included in the Group. The companies supply complete solutions in electrical installation and automation, as well as solar energy solutions with control and storage, all to promote smart energy use.



Consolidated statement of profit/loss in summary

AMOUNT IN SEK THOUSANDS	**2023** April – June 3 months	**2022** April – June 3 months	**2023** Jan. – June 6 months	**2022** Jan. – June 6 months	**2022** Jan. – Dec. 12 months
Net sales	**742,567**	436,973	**1,422,786**	718,918	1,931,412
Other operating income	**717**	-	**3,538**	5,531	70,089
Raw materials, consumables and goods for resale	**-484,564**	-303,710	**-942,951**	-484,116	-1,337,220
Other external expenses	**-52,691**	-53,531	**-115,402**	-84,886	-185,637
Employee benefit costs	**-174,378**	-124,079	**-328,751**	-229,808	-498,482
Depreciation/amortisation and impairment	**-17,443**	-2,492	**-34,090**	-9,480	-57,767
Other operating costs	**174**	131	**-205**	-	-
Operating profit/loss	**14,381**	**-46,708**	**4,925**	**-83,841**	**-77,605**
Profit from participations in associated companies	**-12,480**	7,788	**-24,063**	2,655	-114,099
Financial income	**8,980**	1,528	**9,685**	2,354	4,834
Financial expenses	**-14,099**	-3,109	**-31,357**	-8,104	-42,306
Profit/loss before tax	**-3,219**	**-40,501**	**-40,809**	**-86,935**	**-229,177**
Income tax	**-2,982**	-1,980	**-5,336**	1,222	-9,761
Profit/loss for the period	**-6,201**	**-42,481**	**-46,145**	**-85,713**	**-238,938**
Profit/loss for the period attributable to:					
Parent company shareholders	**-6,063**	-41,549	**-45,010**	-82,018	-232,108
Holdings with a non-controlling interest	**-138**	-931	**-1,136**	-3,695	-6,830
Earnings per share (SEK)					
Earnings per share before dilution	**-0.05**	-0.42	**-0.35**	-0.85	-1.84
Earnings per share after dilution	**-0.05**	-0.42	**-0.35**	-0.85	-1.84

Consolidated statement of comprehensive income in summary

AMOUNT IN SEK THOUSANDS	**2023** April – June 3 months	**2022** April – June 3 months	**2023** Jan. – June 6 months	**2022** Jan **– June** 6 months	**2022** Jan **– Dec** 12 months
Profit/loss for the period	**-6,201**	**-42,481**	**-46,145**	**-85,713**	**-238,938**
Items that can be reversed to the income statement					
Exchange rate differences on the translation of foreign operations	25,338	4,637	**36,518**	18,494	47,498
Other comprehensive income	**25,338**	**4,637**	**36,518**	**18,494**	**47,498**
Comprehensive income for the period	**19,137**	**-37,844**	**-9,627**	**-67,220**	**-191,440**
Comprehensive income for the period attributable to:					
Parent company shareholders	**19,275**	-36,912	**-8,492**	-63,524	-184,610
Holdings with a non-controlling interest	**-138**	-931	**-1,136**	-3,695	-6,830

Consolidated statement of financial position in summary

AMOUNT IN SEK THOUSANDS	2023 30/06	2022 30/06	2022 31/12
ASSETS			
Non-current assets			
Goodwill	875,075	664,677	838,889
Other intangible assets	184,148	63,729	183,855
Property, plant and equipment	139,624	62,394	101,821
Rights of use	83,258	79,391	93,957
Participations in associated companies	188,370	332,895	213,148
Other financial fixed assets	4,179	2,917	5,196
Deferred tax assets	341	171	289
	1,474,994	**1,206,174**	**1,437,155**
Current assets			
Inventories	322,242	171,243	240,766
Accrued but not invoiced income	97,269	88,214	107,773
Accounts receivable	425,037	234,418	316,754
Current tax assets	19,885	11,739	9,212
Receivables, associated companies	24,546	27,234	28,377
Other receivables	33,535	13,621	29,718
Prepaid expenses	50,929	41,818	36,771
Cash and cash equivalents	276,565	150,072	275,298
	1,250,008	**738,359**	**1,044,671**
TOTAL ASSETS	**2,725,002**	**1,944,533**	**2,481,826**
EQUITY			
Share capital	6,564	5,048	6,482
Other contributed capital	1,352,453	1,029,747	1,327,412
Translation reserve	92,869	27,347	56,351
Profit/loss brought forward, including profit/loss for the period	-284,875	-86,968	-228,723
Holdings with a non-controlling interest	16,028	14,301	11,254
Total equity	**1,183,039**	**989,475**	**1,172,778**
Non-current liabilities			
Liabilities to credit institutions	141,273	45,518	32,851
Deferred tax liability	55,652	23,438	55,124
Other financial liabilities	430,235	357,877	443,051
Lease liabilities	50,517	51,464	58,123
Provisions	9,456	4,145	8,089
	687,134	**482,443**	**597,239**
Current liabilities			
Accounts payable	249,135	144,669	214,856
Current tax liability	37,028	3,036	7,363
Lease liabilities	28,662	24,110	30,362
Liabilities to credit institutions	713	-	65,596
Overdraft facilities	23,181	64,458	26,721
Other liabilities	285,136	80,477	194,768
Invoiced but not accrued income	129,493	66,899	81,471
Accrued expenses	101,482	88,966	90,670
	854,830	**472,615**	**711,809**
TOTAL LIABILITIES	**1,541,963**	**955,057**	**1,309,048**
TOTAL EQUITY AND LIABILITIES	**2,725,002**	**1,944,533**	**2,481,826**

Consolidated statement of changes in equity in summary

2023	Share capital	Other contributed capital	Translation reserves	Profit/loss brought forward, including profit/loss for the year	Total equity attributable to the parent company's shareholders	Holdings with a non-controlling interest	Total equity
Opening balance 1 January 2023	**6,482**	**1,327,412**	**56,351**	**-228,674**	**1,161,571**	**11,207**	**1,172,778**
Adjustment for adoption of IFRS 9	-	-	-	-11,191	**-11,191**	-	1,172,778
Profit/loss for the year	-	-	-	-45,010	**-45,010**	-1,136	-46,146
Other comprehensive income	-	-	36,518	-	**36,518**	-	36,518
Total comprehensive income	**-**	**-**	**36,518**	**-56,201**	**-19,683**	**-1,136**	**-20,819**
Transactions with owners:							
New share issue	82	25,041	-	-	**25,123**	-	25,123
Dividend	-	-	-	-	**0**	-316	-316
Invested capital minority	-	-	-	-	**0**	6,273	6,273
Total transactions with owners	**82**	**25,041**	**-**	**-**	**25,123**	**5,957**	**31,080**
Closing balance 30 June 2023	**6,564**	**1,352,453**	**92,869**	**-284,875**	**1,167,011**	**16,028**	**1,183,039**

2022	Share capital	Other contributed capital	Translation reserves	Profit/loss brought forward, including profit/loss for the year	Total equity attributable to the parent company's shareholders	Holdings with a non-controlling interest	Total equity
Opening balance 1 January 2022	**4,729**	**888,736**	**8,853**	**1,451**	903,769	**34,885**	**938,654**
Profit/loss for the year	-	-	-	-82,019	**-82,019**	-3,695	-85,714
Other comprehensive income	-	-	18,494	-	**18,494**	-	18,494
Total comprehensive income	**-**	**-**	**18,494**	**-82,019**	-63,525	**-3,695**	**-67,221**
Transactions with owners:							
New share issue	319	140,116	-	-	**140,435**	-	140,435
Dividend	-	-	-	-	**-**	-554	-554
Other changes	-	-	-	-6,400	**-6,400**	-	-6,400
Transactions with minorities	-	895	-	-	**895**	-16,335	-15,440
Total transactions with owners	**319**	**141,011**	**0**	**-6,400**	135,045	**-16,889**	**118,041**
Closing balance 30 June 2022	**5,048**	**1,029,747**	**27,347**	**-86,968**	975,174	**14,301**	**989,475**

Consolidated statement of cashflow in summary

AMOUNT IN SEK THOUSANDS	2023 April – June 3 months	2022 April – June 3 months	2023 Jan. – June 6 months	2022 Jan. – June 6 months	2022 Jan. – Dec. 12 months
Operating activities					
Profit/loss after financial items	**-3,219**	-40,500	**-40,809**	-86,935	-229,177
Adjustments for non-cash items	**41,802**	1,000	**87,671**	9,397	184,429
Interest received	**377**	1,528	**144**	2,354	4,448
Interest paid	**-2,186**	-2,779	**-5,818**	-7,268	-14,471
Income tax paid	**16,966**	-2,485	**12,459**	-12,067	-18,962
Cash flow from operating activities before changes in working capital	**55,549**	**-41,985**	**59,321**	**-89,605**	**-63,710**
Increase (-) / Decrease (+) of inventories	**-18,613**	-17,583	**-72,290**	-50,101	-76,169
Increase (-) / Decrease (+) of accounts receivable	**-118,769**	-73,784	**-108,664**	-67,258	-78,871
Increase (-) / Decrease (+) of other receivables	**50,910**	-9,609	**-52**	-52,558	-68,875
Increase (+) / Decrease (-) of accounts payable	**-18,404**	-13,285	**75,764**	44,827	42,258
Increase (+) / Decrease (-) of other liabilities	**90,266**	114,270	**46,294**	101,567	54,022
Cash flow from operating activities	**40,940**	**-41,976**	**372**	**-113,129**	**-191,345**
Investing activities					
Acquisition of subsidiaries	**-123,238**	-57,916	**-121,938**	-60,012	-138,410
Investments in intangible assets	**-657**	-311	**-1,667**	-329	-541
Investments in property, plant and equipment	**-26,390**	-13,291	**-41,271**	-14,530	-27,904
Acquisition of financial assets	**538**	10,718	**-164**	10,718	11,346
Divestment of financial assets	**-75**	-	**173**	-	-
Cash flow from investing activities	**-149,821**	**-60,800**	**-164,868**	**-64,153**	**-155,509**
Financing activities					
Shareholder contributions	**-**	-	6,041	-	-
Borrowings	**159,603**	532	176,458	532	51,036
Amortisation of loans	**-8,004**	-3,633	-16,917	-8,485	-3,347
Amortisation of lease liabilities	**-**	-	-	-821	-
Dividend	**-131**	-	-131	-	-898
Transactions with minorities	**-**	-	-	-	-
New share issue	**-**	-	-	-	239,234
Transaction costs related to loans	**-**	-	-	-	-
Cash flow from financing activities	**151,467**	**-3,101**	**165,451**	**-8,774**	**286,025**
Cash flow for the period	**42,586**	-105,877	**955**	-186,056	-60,829
Cash and cash equivalents at the start of the period	**233,818**	255,949	275,298	336,127	336,127
Exchange rate fluctuations in cash and cash equivalents	**162**	-	313	-	-
Cash and cash equivalents at the end of the period	**276,565**	**150,072**	**276,565**	**150,072**	**275,298**

Parent company condensed income statement

AMOUNT IN SEK THOUSANDS	2023 April – June 3 months	2022 April – June 3 months	2023 Jan. – June 6 months	2022 Jan. – June 6 months	2022 Jan. – Dec. 12 months
Net sales	13,223	8,059	25,104	15,144	36,316
Other operating income	218	34	255	157	130
Raw materials, consumables and goods for resale	-	-	-	-	-
Other external expenses	-9,860	-8,699	-18,566	-18,347	-51,621
Employee benefit costs	-8,171	-7,701	-15,859	-14,287	-26,221
Depreciation/amortisation and impairment	-43	-23	-85	-26	-111
Other operating costs	976	-18	845	-19	1,215
Operating profit/loss	**-3,658**	**-8,349**	**-8,306**	**-17,378**	**-40,292**
Profit from participations in associated companies	-	-	-	-	-
Profit/loss from participations in subsidiaries	661	-7,158	661	-4,347	-73,536
Financial income	2,757	1,962	4,341	2,694	6,134
Financial expenses	-4,270	-166	-11,327	-3,018	-14,710
Profit/loss before tax	**-4,510**	**-13,710**	**-14,630**	**-22,048**	**-122,404**
Group contributions	-	-	-	-	-37,192
Income tax	-	-	-	-	-
Profit/loss for the period*	**-4,510**	**-13,710**	**-14,630**	**-22,048**	**-159,596**

*Profit/loss for the period corresponds to the parent company's comprehensive income.

Parent company condensed balance sheet

AMOUNT IN SEK THOUSANDS	30/06/2023	30/06/2022	31/12/2022
ASSETS			
Non-current assets			
Machinery and equipment	**628**	761	677
Shares in subsidiaries	**1,054,317**	774,814	1,027,013
Participations in associated companies	**123,125**	123,125	123,125
Receivables from Group companies	**55,593**	62,769	79,861
Long-term receivables associated companies	**29,758**	27,234	28,377
Other long-term receivables	**-**	459	459
	1,263,419	**989,161**	**1,259,511**
Current assets			
Receivables from Group companies	**23,868**	16,826	40,560
Other receivables	**3,609**	1,536	2,763
Prepaid expenses and accrued income	**6,650**	7,399	5,817
Cash and bank balances	**172,174**	116,227	179,243
	206,301	**141,989**	**228,383**
TOTAL ASSETS	**1,469,721**	**1,131,149**	**1,487,894**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	**6,564**	5,048	6,482
Non-restricted equity			
Share premium reserve	1,557,244	1,233,370	1,538,737
Retained profit	-435,064	-282,003	-282,003
Profit/loss for the period	-14,630	-22,048	-159,596
TOTAL EQUITY	1,114,114	**934,368**	**1,103,621**
Non-current liabilities			
Other provisions	**185,569**	162,691	298,556
Liabilities to Group companies	**13,000**	-	-
	198,569	**162,691**	**298,556**
Current liabilities			
Accounts payable	**2,032**	4,894	4,664
Liabilities to Group companies	**137,599**	18,599	62,081
Current tax liabilities	**580**	341	557
Other liabilities	**11,312**	3,747	11,962
Accrued expenses and deferred income	**5,515**	6,510	6,454
	157,037	**34,091**	**85,717**
TOTAL EQUITY AND LIABILITIES	**1,469,721**	**1,131,149**	**1,487,894**

Notes for the financial statements

1. ACCOUNTING PRINCIPLES

The interim report was prepared in accordance with IAS 34, Interim Financial Reporting.

These are Soltech Energy Sweden AB's first consolidated financial statements prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS). The Group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups. The company previously applied the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board's BFNAR 2012:1 Annual Report and Consolidated Accounts (" K3").

The date of transition to IFRS has been set at 1 January 2022, which means that the comparative figures for the financial year 2022 have been recalculated in accordance with IFRS. A description of the accounting policies applied can be found in » **Note 8** and quantification of transition effects can be found in » **Note 9**.

The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2: Accounting for legal entities. This is the parent company's first financial report prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The parent company previously applied the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board's BFNAR 2012:1 Annual Report and Consolidated Accounts ('K3'). The date of transition was set at 1 January 2022 which means that the comparative figures for the financial year 2022 have been recalculated in accordance with RFR 2. The transition to RFR 2 has meant that contingent consideration have been calculated at present value. Changes as per tables on » **Page 2**. In general, the transition has not entailed any significant effects on the parent company's financial position, earnings or cash flow. A description of the accounting policies applied can be found in » **Note 8**.

Disclosures under IAS 34 Interim Financial Reporting are provided both in the notes and elsewhere in the interim report.

2. LOANS AND EQUITY

The number of shares totalled 131,287,028 (100,964,973) at the end of the period.

Three offset issues totalling SEK 7.2 million were carried out during the quarter and the number of shares increased by 524,353.

3. TRANSACTIONS WITH RELATED PARTIES

Soltech has receivables from associated companies that relate to loans issued in 2019. The loan bears interest which is capitalised on an ongoing basis and is repayable at maturity. At the balance sheet date, loan receivables amount to SEK 29.8 million in the parent company.

No other significant related party transactions, besides normal business transactions, have taken place in the Group or in the parent company during the year.

4. CONTINGENT LIABILITIES

The parent company has guarantee commitments of SEK 22.9 million and surety commitments of SEK 81.2 million. There was no significant change in contingent liabilities during the interim period.

5. ACQUISITION AND SALE OF SUBSIDIARIES

ACQUISITION OF COMPANIES

Soltech has made the following acquisitions during the period January – June 2023. All acquisitions have been made as add-on acquisitions to strengthen existing subsidiaries' expertise in electrical engineering and solar energy installations. The purchases have been financed entirely with own funds and with newly issued Soltech shares.

Possession	Acquisitions	Segment	Geo-graphic area	Share of votes and capital
01/02/2023	Plåtteamet i Örnsköldsvik AB	Roofing	Sweden	100%
01/02/2023	Vårgårda solenergi AB	Solar	Sweden	100%
01/04/2023	Arvika Elinstallationer AB	Electricity	Sweden	100%
03/04/2023	Din elkontakt i Kungälv AB	Electricity	Sweden	100%
After the end of the reporting period				
05/07/2023	Tekniska Lösningar i Täby AB	Electricity	Sweden	100%

EFFECTS OF ACQUISITIONS

The acquisitions during the period have the following effects on the Group's assets and liabilities. None of the period's acquisitions are individually deemed to be significant, which is why they are disclosed together. The amounts recognised for the identified acquired assets and liabilities in the four add-on acquisitions made during the interim period are specified in the table below. Soltech considers the calculations to be preliminary until finalised data from the acquired companies is received.

Fair value Group SEK thousand	**30/06/2023**	**30/06/2022**
Other fixed assets	1,148	8,257
Other current assets	10,307	47,982
Cash and cash equivalents	4,265	5,857
Deferred tax liability	-	-
Current liabilities	-9,094	-26,516
Total identifiable assets	**6,626**	**35,580**
Consolidated goodwill	13,480	210,498
Trademarks	-	24,588
Customer relationships	-	21,803
Transferred compensation		
Cash and cash equivalents	860	64,017
Contingent consideration	5,050	41,669
Equity instruments	14,196	64,661
Option liability	-	122,122
Total transferred compensation	**20,106**	**292,469**
Impact on cash and cash equivalents		
Cash paid consideration	-860	-64,017
Cash and cash equivalents in acquired entities	4,265	5,857
Total impact on cash and cash equivalents	**3,405**	**-58,160**
Impact on Soltech's net sales and profit/loss		
Net sales	15,361	85,563
Profit/loss	**2,123**	**2,987**
Consolidated pro forma for net sales and profit/loss		
Net sales	**1,447,418**	782,780
Profit/loss	**-43,219**	**-85,483**

The fair value of contingent consideration accrued during the first half of 2023 is SEK 5.1 million, see » **Note 6**. Goodwill of SEK 13.5 million arising from the acquisitions consists of cost less the fair value of the net assets acquired. The goodwill value is motivated by the companies' future earning capacity and represents the economic benefits that are expected to be achieved through, among other things, joint purchases, synergies and increased focus on solar energy solutions. No part of the goodwill is expected to be tax deductible.

The fair value of 1,102,793 ordinary shares issued as part of the consideration paid for the four acquisitions (SEK 14.2 million) is based on the fair value on the closing date.

Acquisition-related expenses in the interim period are included in Other external costs and amount to SEK 0.1 million.

The four acquisitions contributed SEK 15.4 million in net sales and SEK 2.1 million to the Group's profit between the acquisition date and the end of the reporting period 2023.

The first recognition of the four acquisitions has only been provisionally established at the end of the reporting period. At the date of preparation of these consolidated financial statements, the necessary market valuations and other calculations have not been finalised and are therefore only provisionally determined based on management's best estimate of probable fair values.

The fair value of contingent consideration accrued during the first half of 2022 is SEK 41.7 million, see » **Note 6.** Goodwill of SEK 210.5 million, Trademarks of SEK 24.6 million and Customer relations of SEK 21.8 million arising from the acquisitions consist of the cost of acquisition less the fair value of the net assets acquired. The goodwill value is motivated by the companies' future earning capacity and represents the economic benefits that are expected to be achieved through, among other things, joint purchases, synergies and increased focus on solar energy solutions. No part of the goodwill is expected to be tax deductible.

The fair value of 2,813,366 ordinary shares issued as part of the consideration paid for the acquisitions (SEK 64 million) is based on the fair value on the closing date.

Acquisition-related expenses in the interim period from January to June 2022 are included in Other external costs and amount to SEK 2 million.

The three acquisitions contributed SEK 85.6 million in net sales and SEK 3 million to the Group's profit between the acquisition date and the end of the reporting period 30/06/2022.

If the three acquisitions had occurred on the first day of the financial year 2022, the Group's net sales for the half year would have been SEK 782.8 million and the Group's result would have been SEK -85.5 million.

6. FAIR VALUE FINANCIAL INSTRUMENTS

Under IFRS, contingent consideration and option liabilities are measured at fair value attributable to Level 3 and are recognised under Non-current liabilities and Other current liabilities in the balance sheet. At the end of the period, the Group's estimated contingent consideration amounted to SEK 185.5 million, of which SEK 5 million relates to acquisitions made in 2023. Liabilities for contingent consideration are linked to completed business combinations and are mainly based on the performance measure EBIT for the years 2023, 2024 and 2025. Contingent consideration is valued on an ongoing basis using a probability assessment based on expected cash flows with a risk-adjusted discount rate. Expected operating results are determined based on the company's knowledge of its business and how the current economic environment is likely to affect it. At the end of the period, option liabilities totalled SEK 227 million. The applied risk-adjusted discount rate is 14%.

The fair values of the Group's financial assets and liabilities are estimated to be equal to their carrying amounts. The Group does not apply net accounting to any of its material assets or liabilities. There were no transfers between levels 1, 2 or 3 or valuation categories during the period. Contingent consideration has a fixed maximum level. The potential undiscounted amount of all future payments that the Group may have to make under contingent consideration is SEK 386 million.

The table below shows the reconciliation of the carrying amount of instruments measured at fair value in Level 3 during the period and with the comparative period.

Changes in contingent consideration
SEK million

Opening balance contingent consideration 1 January 2022	140.3
Gains or losses recognised in the income statement	-
Business acquisitions	40.2
Payments	-25 4
Exchange rate difference	-0.1
Opening balance contingent consideration 30 June 2022	**155**
Opening balance contingent consideration 1 January 2023	**298.3**
Gains or losses recognised in the income statement	-1
Business acquisitions	5
Payments	-127.3
Exchange rate difference	10.5
Closing balance contingent consideration 30 June 2023	**185.5**

Changes in option value
SEK millions

Opening value of option liability 1 January 2022	**-**
Acquisitions	122
Closing value of option liability 30 June 2022	**122**
Opening value of option liability 1 January 2023	**213**
Revaluation effects	14
Closing value of option liability 30 June 2023	**227**

7. BREAKDOWN OF REVENUE FROM CONTRACTS WITH CUSTOMERS

2023 1 January – 30 June	SOLAR	ROOFING	ELECTRICAL ENGINEERING	FACADE	GROUP-WIDE & ELIMINATION	Total
Sweden	350,513	373,900	224,806	109,007	-49,297	**1,008,929**
Spain	144,529	-	-	-	-	**144,529**
The Netherlands	272,865	-	-	-	-	**272,865**
Total revenue	**767,908**	**373,900**	**224,806**	**109,007**	**-49,297**	**1,426,323**

2022 1 January – 30 June	SOLAR	ROOFING	ELECTRICAL ENGINEERING	FACADE	GROUP-WIDE & ELIMINATION	Total
Sweden	206,705	227,572	148,169	73,550	848	**656,844**
Spain	-	-	-	-	-	**-**
The Netherlands	67,605	-	-	-	-	**67,605**
Total revenue	**274,309**	**227,572**	**148,169**	**73,550**	**848**	**724,449**

8. ACCOUNTING PRINCIPLES APPLIED

CONSOLIDATED ACCOUNTS

The consolidated financial accounts include the financial statements of the Company and the entities (subsidiaries) over which the Company has control at the end of the reporting period. Controlling influence is achieved when the Group:

- has influence over the object of investment;
- is exposed, or has the right, to variable returns from its involvement in the subject of the investment; and
- can use its influence to affect its performance.

A subsidiary is consolidated when the entity obtains control of the subsidiary and ceases when the entity loses control of the subsidiary.

BUSINESS COMBINATIONS

Business combinations are recognised using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the acquirer at the acquisition date, the liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer. Acquisition-related costs are reported in the income statement as they rise.

At the acquisition date, the acquired identifiable assets or liabilities assumed are measured at fair value, with a few exceptions.

Goodwill is measured as the difference between the consideration transferred, the amount of any non-controlling interest in the acquired entity, the fair value of the acquirer's previously held equity interest in the acquired entity and the net of the amounts of the identifiable assets acquired and liabilities assumed at the acquisition date.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as financial liabilities are revalued each period at fair value. Any resulting revaluation gains and losses are recognised in the profit and loss account.

GOODWILL

Goodwill is initially measured and recognised as above. Goodwill is not amortised but is tested for impairment at least annually. When testing for impairment, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the acquisition. Soltech allocates goodwill from business combinations to each cash-generating unit (or group of cash-generating units) acquired.

REVENUES

The Group mainly receives revenue from construction contracts and service contracts. Revenue is measured based on the contract with the customer and represents the consideration to which the Group expects to be entitled in exchange for transferring promised goods, excluding value added tax. The Group recognises revenue when control of a good or service is transferred to a customer.

Construction contracts mainly involve the sale of solar panel systems or roof/facade installations, but also larger electrical installations and the sale of electrical automation. What construction contracts have in common is that revenue is recognised over time as the asset is constructed on land controlled by the customer based on costs incurred in relation to the total expected costs of the contract. The transaction price is normally a fixed fee paid by the customer at agreed times.
If the revenue recognised for an assignment exceeds the invoiced revenue, a contract asset is recognised which is referred to in the balance sheet as 'Accrued but not invoiced income'. Contract assets are reclassified as accounts receivable at the time the amount is invoiced to the customer.

Sales of solar panel systems and roofing include the installation of a solar panel system or the construction of a new roof on the customer's property. The installation is considered significant and the delivery of the solar panel system or roofing material to the customer is considered an input. The promise to transfer and install the solar panel system or roof installation is therefore seen as a bundled performance obligation.

In construction contracts, Soltech provides the usual product and installation guarantees. Issued guarantees are recognised as provisions, see below for a description of the recognition of provisions.

Service contracts are characterised by the provision of different types of electricity services, often to local businesses or private households. Remuneration is normally on a current account basis according to an agreed price per hour and number of hours for the delivery of the service. Service contracts are of a shorter nature and normally take from a few hours to a few days to deliver. Revenue is recognised over time based on the amount Soltech is entitled to invoice the customer.

If the revenue recognised for an assignment exceeds the invoiced revenue, a contract asset is recognised which is referred to in the balance sheet as 'Accrued but not invoiced income'. Contract assets are reclassified as accounts receivable at the time the amount is invoiced to the customer. If the revenue recognised for an assignment is less than the invoiced revenue, a contract liability is recognised which is referred to in the balance sheet as 'Invoiced but not accrued income'. Contract liabilities are reclassified to revenue as Soltech recognises revenue from the contract.

LEASING – GROUP AS LESSEE

The Group assesses whether the agreement is, or contains, a lease at the inception of the agreement. The Group recognises a right-of-use asset with an associated lease liability for all leases where the Group is the lessee, except for short-term leases (leases classified as leases with a lease term of less than 12 months) and low-value leases (such as office equipment). For these leases, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the unpaid lease payments at the commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability include:

- fixed charges (including, in substance, fixed charges, less any benefits associated with taking out a lease),
- variable lease payments that depend on an index or price, initially valued using the index or price at the commencement date.

The lease liability and right-of-use asset are recognised as separate items in the consolidated statement of financial position.

After the commencement date, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method), and by decreasing the carrying amount to reflect lease payments made.

Right-of-use assets comprise the sum of the initial measurement of the corresponding lease liability and lease payments made at or before the commencement date. They are subsequently measured at cost less accumulated amortisation and impairment losses.

Rights of use are amortised over whichever is the shorter of the lease term and the useful life of the underlying asset.

Variable lease payments that do not depend on an index or price are not included in the measurement of the lease liability or right-of-use asset. These attributable payments are recognised as an expense in the period in which the event or condition giving rise to these payments occurs and are included in 'Other external expenses' in profit or loss.

FOREIGN CURRENCIES

In preparing the financial statements of the foreign subsidiaries, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the exchange rate at the date of the transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate. Non-monetary items recognised at fair value in foreign currencies are translated at the exchange rate on the date the fair value was calculated. Non-monetary items measured at cost are not restated. Exchange rate differences are recognised in profit or loss in the period in which they arise.

In preparing the consolidated financial statements, the Group's assets and liabilities in foreign currencies are translated at the closing rate on the balance sheet date. Income and expenses are translated at the average exchange rate for the period. Exchange rate differences are recognised in Other comprehensive income and accumulated in the translation reserve.

Goodwill arising on business combinations and fair value adjustments made on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and revalued at the exchange rate at the balance sheet date. Exchange rate differences are recognised in Other comprehensive income.

PENSION COSTS

All the Group's pension plans are classified as defined contribution pension plans. Contributions to a defined contribution plan are recognised as an expense when the employees have rendered the services that earn them the right to the contributions.

INCOME TAX

The income tax cost represents the sum of current tax and deferred tax.

Current tax is calculated on the taxable profit for the period. Taxable profit differs from reported profit as it has been adjusted for income and expenses that are taxable or deductible in other periods and also excludes items that will never be taxable or deductible.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used to calculate taxable profit.

Deferred tax liabilities are recognised for virtually all taxable temporary differences. In principle, deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the amounts can be utilised against future taxable profits. Deferred tax assets relating to loss carry-forwards in the parent company are not recognised as a matter of prudence. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to realise all or part of the deferred tax asset.

Deferred tax liabilities and assets are not recognised if the temporary differences relate to the initial recognition of goodwill. Deferred tax assets and liabilities are recognised net when there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax assets and liabilities on a net basis.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised on a straight-line basis over the useful life as follows:

Stocks	**5 years**
Buildings	
Frames	**100 years**
Roofs and installations	**40 years**
Facades	**80 years**
Floors, walls, ceilings, windows	**20 years**
Ventilation	**20 years**

The estimated useful lives and depreciation method are evaluated at the end of each reporting period; changes in estimates are recognised on a forward looking basis.

An item of property, plant and equipment is derecognised when it is retired or disposed of, or when no future economic benefits are expected to arise from its use. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the proceeds from the sale and the carrying amount of the asset and is recognised in profit or loss.

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION. ACQUISITION

Intangible assets acquired in a business combination that are recognised separately from goodwill are initially recognised at fair value at the acquisition date (which is considered to be the cost of the asset).

After initial recognition, intangible assets acquired in a business combination are recognised at cost less accumulated amortisation and accumulated impairment losses, in the same way as other intangible assets acquired separately.

The useful life of trademarks acquired in a business combination is considered indeterminable.

An intangible asset shall be derecognised from the statement of financial position upon retirement or disposal, or when no future economic benefits are expected from the use or retirement/disposal of the asset. The profit or loss arising from the derecognition of an intangible asset from the statement of financial position, calculated as the difference between the net revenue and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At the end of each reporting period, the Group assesses the carrying amounts of tangible and intangible assets to determine whether there is any need for impairment of these assets. If there is an indication of impairment, the recoverable amount of the asset is calculated to determine any impairment. If the asset does not generate cash flows that are largely independent of the cash flows from other assets or groups of assets, the recoverable amount of the cash-generating unit to which the asset belongs is calculated.

Intangible assets with an indefinite useful life are tested for impairment at least annually or whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In calculating the recoverable amount, estimated future cash flows are discounted to their present value using a pre-tax discount rate to reflect current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

PARTICIPATIONS IN ASSOCIATED COMPANIES

An associated company is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence means that Soltech can participate in the decisions regarding an entity's financial and operating policies, but does not imply a controlling influence or joint controlling influence over those policies.

Holdings in associated companies are recognised by applying the equity method. When applying the equity method, an investment in the associated company is initially recognised at the cost of the asset. The carrying amount is subsequently increased or decreased to recognise the Group's share of the associated company's profit or loss after the acquisition date. Dividends received from the associated company reduce the carrying amount of the investment. The carrying amount is also adjusted to reflect other changes in the associated company's equity.

If there is objective evidence that the Group's investment in associated companies is impaired, the asset's recoverable amount, which is the higher of value in use and fair value less costs to sell, is compared with its carrying amount. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss. Impairment testing is performed once a year.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

FINANCIAL ASSETS

All recognised financial assets are measured after initial recognition at amortised cost taking into account Soltech's business model for managing financial assets and the characteristics of the contractual cash flows from the financial asset.

The Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in the credit risk of each financial asset since the initial recognition.

The Group always recognises expected credit losses for the remaining lifetime of trade receivables and contract assets in accordance with the simplified model. The expected credit losses on these financial assets are measured using an allowance matrix based on the Group's historical credit losses, adjusted for factors specific to the counterparties and general economic conditions and an assessment of both current and prospective factors at the end of the reporting period, including the time value of money where appropriate.

For all other financial assets, the Group recognises expected credit losses for the remaining term only when there has been a significant increase in credit risk since initial recognition. If there has been no significant increase in credit risk since the initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to 12 months of expected credit losses.

The Group considers that if information developed internally or obtained from external sources indicates that it is unlikely that the counterparty will be able to meet its obligations in full (without taking into account collateral held by the Group), the asset is in default.

WRITE-OFFS

The Group writes off a financial asset when there is information indicating that the counterparty is in serious financial difficulty and there is no realistic prospect of recovery (for example, when the counterparty has been placed in liquidation or has commenced bankruptcy proceedings) or, in the case of accounts receivable, when the amounts are more than two years past due, whichever is earlier. Impaired financial assets may still be subject to repayment measures. Any refunds are recognised in the income statement.

DERECOGNITION OF FINANCIAL ASSETS IN THE STATEMENT OF FINANCIAL POSITION OF FINANCIAL ASSETS

The Group removes a financial asset from the statement of financial position only when the contractual rights expire or all the risks and rewards of the financial asset are transferred to another party.

FINANCIAL LIABILITIES

Soltech measures liabilities for contingent consideration from business combinations at fair value through profit or loss. All other financial liabilities are measured at amortised cost.

The effective interest method is the method used to measure the amortised cost of a financial asset or financial liability and to allocate and recognise interest income or interest expense in profit or loss in the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts and payments (including transaction costs and any other premiums or discounts) over the expected life of the financial liability, or (when applicable) over a period shorter than the expected life, to the amortised cost of a financial liability.

DERECOGNITION OF FINANCIAL LIABILITIES FROM THE STATEMENT OF FINANCIAL POSITION

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in the income statement.

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision is recognised at the amount that is the best estimate of what is required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the obligation. When a provision is measured by using estimated cash flows to settle the existing obligation, its carrying amount is the present value of the future cash flows.

GUARANTEES

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the products, at the management's best estimate of the expenditure required to settle the Group's obligation.

ONEROUS CONTRACTS

Existing obligations for an onerous contract are calculated and recognised as a provision. An onerous contract arises if the Group has a contract where the unavoidable cost of meeting the Group's obligations exceeds the expected economic benefits from it.

THE DIFFERENCES BETWEEN THE ACCOUNTING POLICIES OF THE PARENT COMPANY AND THE GROUP ARE DESCRIBED BELOW:

CLASSIFICATION AND PRESENTATION FORMATS

The parent company's income statement and balance sheet are prepared in accordance with the Annual Accounts Act's templates. The main difference with IAS 1 Presentation of Financial Statements, which is applied in the preparation of the consolidated financial statements, is the presentation of financial income/expenses and equity.

LEASES

The parent company, which is the lessee, recognises lease payments as an expense on a straight-line basis over the lease term unless another systematic approach better reflects the economic benefits to the user over time.

SUBSIDIARIES

Shares in subsidiaries are recognised at cost. Dividends from subsidiaries are recognised in the income statement when the right to receive dividends is deemed certain and can be reliably calculated. Contingent consideration is recognised as part of the cost if it is probable that it will be paid and is discounted to reflect the time value of money. If in subsequent periods it becomes apparent that the initial assessment needs to be revised, the cost is adjusted.

ASSOCIATED COMPANIES

Participations in associated companies are recognised in the parent company at cost.

FINANCIAL INSTRUMENTS

The parent company does not apply IFRS 9 in accordance with the exemption in RFR 2. Instead, a method based on acquisition value according to the Annual Accounts Act is applied. This means that financial fixed assets are valued at cost less any impairment and financial current assets are valued according to the lowest value principle. When calculating the net realisable value of receivables recognised as current assets, the principles for impairment testing and loss risk provisioning under IFRS 9 are applied, see Group policies. When assessing and calculating impairment of financial assets recognised as non-current assets, the principles for impairment testing and loss risk provisioning in IFRS 9 are applied wherever possible. Financial liabilities are measured at amortised cost using the effective interest method. The principles for recognition and derecognition of financial instruments are similar to those applied to the Group and described above. The rules in IFRS 9 regarding financial guarantee contracts are not applied in the parent company for guarantee contracts in favour of subsidiaries.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS

Group contributions are recognised as appropriations in the income statement. Shareholders' contributions paid are recognised as an increase in the item 'Participations in Group companies' by the payer.

9. TRANSITION TO IFRS

These consolidated financial statements have been prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS). These are Soltech Energy Sweden AB's first consolidated financial statements prepared in accordance with IFRS. The company previously applied the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board's BFNAR 2012:1 Annual Report and Consolidated Accounts (" K3"). The transition date to IFRS has been set at 1 January 2022. The transition to IFRS is recognised in accordance with IFRS 1 on first-time adoption of IFRS. The main rule in IFRS 1 requires an entity to apply all standards retrospectively in determining the opening IFRS balance sheet. This means that the comparative figures for 2022 are restated under IFRS. However, some exceptions to retroactive application are permitted. The Group has chosen to apply the following:

BUSINESS COMBINATIONS (IFRS 3)

Soltech has chosen not to apply IFRS 3 retroactively to business combinations made before the date of transition to IFRS (1 January 2022). The carrying amount of goodwill at the date of transition to IFRS on 1 January 2022 has been adopted and recognised as cost.

FINANCIAL INSTRUMENTS (IFRS 9)

The Group does not apply the impairment rules with full retroactivity as it is not possible to restate previous periods without the use of information obtained retrospectively. Accordingly, no transition effect is recognised as at 1 January 2022, but instead the effect arising from the transition to IFRS is recognised as at 1 January 2023, which is also the Group's first date of application for IFRS 9.

REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15)

The Group has not restated contracts that begin and end within the same financial year or end before 1 January 2022. There are no material effects from the transition and application of IFRS 15.

LEASES (IFRS 16)

The Group has chosen to apply the following transitional rules when applying IFRS 16 Leases at the transition date:

- Determine whether a contract that exists at the date of transi tion to IRFS contains a lease by applying paragraphs 9–11 of IFRS 16 to those contracts based on the facts and circumstances at that date.
- Measure the lease liability at the date of transition to IFRS at the present value of the remaining lease payments, discounted at the lessee's incremental borrowing rate at the date of transition to IFRS.
- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics (for example, leases whose remaining lease term is similar for a similar class of underlying assets in a similar economic environment).
- Measure right-of-use assets at the date of transition to IFRS at an amount equal to the lease liability, adjusted for any prepaid lease payments.
- Apply IAS 36 to right-of-use assets at the date of transition to IFRS.
- Leases that are terminated within twelve months of the date of transition are recognised as short-term leases.
- Leases for which the underlying asset is of low value are recognised at the date of transition as leases for which the underlying asset is of low value.
- Use retrospective estimates when, for example, determining the lease term if the lease contains options to extend or terminate the lease.

The following tables present and quantify the management's assessment of the impact of the transition to IFRS in the Consolidated statement of comprehensive income and financial position.

Consolidated balance sheet

01/01/2022

AMOUNT IN SEK THOUSAND	NOTE	According to AR 2021 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Goodwill		377,185	-	377,185
Other intangible assets		933	-	933
Property, plant and equipment	10, 14	82,446	-37,296	45,150
Right-of-use assets	14	-	40,928	40,928
Participations in associated companies		317,735	-	317,735
Other long-term receivables		12,000	-	12,000
Deferred tax asset	14	-	217	217
Total non-current assets		**790,299**	**3,849**	794,148
Inventories		102,629	-	102,629
Accrued but not invoiced income		56,941	-	56,941
Accounts receivable		143,667	-	143,667
Receivables from associated companies		26,079	-	26,079
Current tax receivables		2,379	-	2,379
Other receivables		8,729	-	8,729
Prepaid expenses and accrued income	14	18,452	-892	17,560
Cash and cash equivalents		336,127	-	336,127
Total current assets		**695,003**	**-892**	694,111
TOTAL ASSETS		1,485,302	2,957	1,488,259
Share capital		4,729	-	4,729
Other contributed capital		888,736	-	888,736
Translation reserve		8,853	-	8,853
Profit/loss brought forward, including profit/loss for the year	14	1,313	138	1,451
Non-controlling interests		34,885	-	34,885
Total equity		**938,516**	**138**	938,654
Liabilities to credit institutions		44,610	-	44,610
Deferred tax liability		9,924	-	9,924
Other financial liabilities	12, 14	26,197	128,635	154,832
Long-term lease liabilities	14	-	23,770	23,770
Other provisions	12	143,968	-140,346	3,622
Total non-current liabilities		**224,699**	**12,058**	236,757
Accounts payable		82,430	-	82,430
Current tax liabilities		7,102	-	7,102
Short-term lease liabilities	10, 14	-	13,119	13,119
Liabilities to credit institutions		22,359	-	22,359
Overdraft facilities		16,215	-	16,215
Other liabilities	10, 14	94,218	-22,359	71,859
Invoiced but not accrued income		32,163	-	32,163
Accrued expenses and deferred costs		67,600	-	67,600
Total current liabilities		**322,087**	**-9,240**	312,847
TOTAL LIABILITIES AND EQUITY		1,485,302	2,957	1,488,259

Consolidated income statement
April – June 2022

AMOUNT IN SEK THOUSAND	NOTE	According to Q2 2021 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		437,049	-	**437,049**
Other operating income		-76	-	**-76**
Raw materials, consumables and goods for resale		-303,710	-	**-303,710**
Other external expenses	**12, 14**	-47,272	-6,259	**-53,531**
Employee benefit costs		-124,079	-	**-124,079**
Depreciation/amortisation and impairment	**12, 14**	-24,422	21,930	**-2,492**
Other operating costs		131	-	**131**
Operating profit/loss		**-62,379**	**15,671**	**-46,708**
Profit from participations in associated companies		7,788	-	**7,788**
Financial income		1,528	-	**1,528**
Financial expenses	**14**	-2,899	-209	**-3,108**
Profit/loss after financial items		**-55,962**	**15,462**	**-40,500**
Tax on profit for the year	**12, 14**	**-2,153**	173	**-1,980**
Profit/loss for the year		**-58,115**	**15,635**	**-42,480**
Attributable to:		**-**	-	**-**
Parent company's shareholders		-56,392	14,843	**-41,549**
Holdings with a non-controlling interest		**-1,723**	792	**-931**
Consolidated statement of comprehensive income		**-**	**-**	
Profit/loss for the year		**-58,115**	15,635	**-42,480**
Items that will be reclassified in the income statement		-	-	
Exchange rate differences on the translation of foreign operations		-	4,636	**4,636**
Other comprehensive income for the year		**-111,341**	**30,264**	**4,636**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**53,226**	**-23,850**	**-37,844**

Consolidated income statement

January – June 2022

AMOUNT IN SEK THOUSAND	NOTE	According to Q2 2021 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		718,918	0	**718,918**
Other operating income		5,531	0	**5,531**
Raw materials, consumables and goods for resale		-484,116	0	**-484,116**
Other external expenses	**12, 14**	-81,890	-2,996	**-84,886**
Employee benefit costs		-229,808	-	**-229,808**
Depreciation/amortisation and impairment	**12, 14**	-39,102	29,622	**-9,480**
Other operating costs		-	-	**-**
Operating profit/loss		**-110,467**	**26,626**	**-83,841**
Profit from participations in associated companies		2,655	-	**2,655**
Financial income		2,354	-	**2,354**
Financial expenses	**12.14**	-6,939	-1,164	**-8,103**
Profit/loss after financial items		**-112,397**	**25,462**	**-86,935**
Tax on profit for the year	**12.14**	**1,056**	166	**1,222**
Profit/loss for the year		**-111,341**	**25,628**	**-85,713**
Attributable to:				
Parent company's shareholders		-106,667	24,649	**-82,018**
Holdings with a non-controlling interest		-4,674	979	**-3,695**
Consolidated statement of comprehensive income				
Profit/loss for the year		**-111,341**	25,628	**-85,713**
Items that will be reclassified in the income statement				
Exchange rate differences on the translation of foreign operations		-	18,494	**18,494**
Other comprehensive income for the year		**0**	**18,494**	**18,494**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-111,341**	**44,122**	**-67,219**

Consolidated balance sheet
30/06/2022

AMOUNT IN SEK THOUSAND	NOTE	According to Q2 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Goodwill	11	712,674	-47,997	664,677
Other intangible assets	12	1,175	62,554	63,729
Property, plant and equipment	10, 14	95,434	-33,040	62,394
Right-of-use assets	14	-	79,391	79,391
Participations in associated companies		332,895	-	332,895
Other long-term receivables		2,917	-	2,917
Deferred tax asset	14	-	171	171
Total non-current assets		**1,145,095**	**61,079**	**1,206,174**
Inventories		171,243	-	171,243
Accrued but not invoiced income		88,214	-	88,214
Accounts receivable		234,418	-	234,418
Receivables from associated companies		11,739	-	11,739
Current tax receivables		27,234	-	27,234
Other receivables	14	13,688	-67	13,621
Prepaid expenses and accrued income	14	43,369	-1,551	41,818
Cash and cash equivalents		150,072	-	150,072
Total current assets		**739,977**	**-1,618**	**738,359**
TOTAL ASSETS		**1,885,072**	**59,461**	**1,944,533**
Share capital		5,048	-	5,048
Other contributed capital		1,030,726	-979	1,029,747
Translation reserve		21,334	6,013	27,347
Profit/loss brought forward, including profit/loss for the year		-105,355	18,387	-86,968
Non-controlling interests		13,174	1,127	14,301
Total equity		**964,927**	**24,548**	**989,475**
Liabilities to credit institutions	10	47,883	-2,365	45,518
Deferred tax liability	12	7,830	15,608	23,438
Other financial liabilities	10, 12	192,676	165,201	357,877
Long-term lease liabilities	14	-	51,464	51,464
Other provisions	10, 12	199,746	-195,601	4,145
Total non-current liabilities		**448,135**	**34,308**	**482,443**
Accounts payable		144,669	-	144,669
Current tax liabilities		3,036	-	3,036
Short-term lease liabilities	14	-	24,109	24,109
Liabilities to credit institutions	10, 14	22,359	-22,359	-
Overdraft facilities		64,458	-	64,458
Other liabilities	12	81,623	-1,145	80,478
Invoiced but not accrued income		66,899	-	66,899
Accrued expenses and deferred costs		88,966	-	88,966
Total current liabilities		**472,010**	**605**	**472,615**
TOTAL LIABILITIES AND EQUITY		**1,885,072**	**59,460**	**1,944,532**

Consolidated income statement

January – December 2022

AMOUNT IN SEK THOUSAND	NOTE	According to AR 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		1,931,412	-	**1,931,412**
Other operating income		70,089	-	**70,089**
Raw materials, consumables and goods for resale	**10**	-1,334,288	-2,932	**-1,337,220**
Other external expenses	**12, 14**	-203,182	17,546	**-185,636**
Employee benefit costs		-498,482	-	**-498,482**
Depreciation/amortisation and impairment	**12, 14**	-97,735	39,968	**-57,767**
Other operating costs		-	-	**-**
Operating profit/loss		**-132,186**	**54,582**	**-77,604**
Profit from participations in associated companies		-114,099	-	**-114,099**
Financial income	**10**	4,448	384	**4,832**
Financial expenses	**12, 14**	-15,859	-26,447	**-42,306**
Profit/loss after financial items		**-257,696**	**28,519**	**-229,177**
Tax on profit for the year	**12, 14**	**-12,155**	2,394	**-9,761**
Profit/loss for the year		**-269,851**	**30,913**	**-238,938**
Attributable to:				
Parent company's shareholders		-263,024	30,916	**-232,108**
Holdings with a non-controlling interest		-6,827	-3	**-6,830**
Consolidated statement of comprehensive income				
Profit/loss for the year		-269,851	30,913	**-238,938**
Items that will be reclassified in the income statement				
Exchange rate differences on the translation of foreign operations			47,498	**47,498**
Other comprehensive income for the year		**0**	**47,498**	**47,498**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-269,851**	**78,411**	**-191,440**

Consolidated balance sheet

31/12/2022

AMOUNT IN SEK THOUSAND	NOTE	According to AR 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Goodwill	11, 12	934,955	-96,066	838,889
Other intangible assets	12	1,169	182,686	183,855
Property, plant and equipment	10, 14	130,461	-28,639	101,822
Right-of-use assets	14	-	93,957	93,957
Participations in associated companies		213,148	-	213,148
Other long-term receivables		5,196	-	5,196
Deferred tax asset	14	146	144	290
Total non-current assets		**1,285,075**	**152,082**	**1,437,157**
Inventories		240,766	-	240,766
Accrued but not invoiced income		107,773	-	107,773
Accounts receivable		316,754	-	316,754
Receivables from associated companies		9,212	-	9,212
Current tax receivables		28,377	-	28,377
Other receivables	10	29,665	53	29,718
Prepaid expenses and accrued income	14	38,620	-1,849	36,771
Cash and cash equivalents	10	275,351	-53	275,298
Total current assets		**1,046,518**	**-1,849**	**1,044,669**
TOTAL ASSETS		**2,331,593**	**150,233**	**2,481,826**
Share capital		6,482	-	6,482
Other contributed capital		1,327,412	-	1,327,412
Translation reserve		44,052	12,299	56,351
Profit/loss brought forward, including profit/loss for the year		-261,711	32,993	-228,723
Non-controlling interests		10,996	258	11,254
Total equity		**1,127,231**	**45,544**	**1,172,778**
Liabilities to credit institutions	10, 14	45,976	-13,125	32,851
Deferred tax liability	12	10,718	44,406	55,124
Other financial liabilities	10, 12	223,821	219,229	443,050
Long-term lease liabilities	14	-	58,124	58,124
Other provisions	10, 12	231,163	-223,074	8,089
Total non-current liabilities		**511,678**	**85,560**	**597,238**
Accounts payable		214,856	-	214,856
Current tax liabilities		7,363	-	7,363
Short-term lease liabilities	10, 14	-	30,362	30,362
Liabilities to credit institutions	10, 14	76,833	-11,237	65,596
Overdraft facilities		26,721	-	26,721
Other liabilities		194,770	-	194,770
Invoiced but not accrued income		81,471	-	81,471
Accrued expenses and deferred costs		90,670	-	90,670
Total current liabilities		**692,684**	**19,125**	**711,809**
TOTAL LIABILITIES AND EQUITY		**2,331,593**	**150,233**	**2,481,826**

Parent company income statement
April – June 2022

	NOTE	According to Q2 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		8,059		8,059
Other operating income		34		34
Raw materials, consumables and goods for resale		-		-
Other external expenses		-8,699		-8,699
Employee benefit costs		-7,701		-7,701
Depreciation/amortisation and impairment		-23		-23
Other operating costs		-18		-18
Operating profit/loss		-8,349		-8,349
Profit from participations in associated companies		-		-
Profit/loss from participations in subsidiaries		-7,158		-7,158
Financial income		1,962		1,962
Financial expenses	12	-66	-100	-166
Profit/loss before tax		-13,610	-100	-13,710
Group contributions		-		-
Income tax		-		-
Profit/loss for the period*		-13,610	-100	-13,710

*Profit/loss for the period corresponds to the parent company's comprehensive income.

Parent company income statement

January – June 2022

	NOTE	According to Q2 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		15,144		15,144
Other operating income		157		157
Raw materials, consumables and goods for resale		-		-
Other external expenses		-18,347		-18,347
Employee benefit costs		-14,287		-14,287
Depreciation/amortisation and impairment		-26		-26
Other operating costs		-19		-19
Operating profit/loss		-17,378		-17,378
Profit from participations in associated companies		-		-
Profit/loss from participations in subsidiaries		-4,347		-4,347
Financial income		2,694		2,694
Financial expenses	12	-2,918	-100	-3,018
Profit/loss before tax		-21,948	-100	-22,048
Group contributions		-		-
Income tax		-		-
Profit/loss for the period*		-21,948	-100	-22,048

*Profit/loss for the period corresponds to the parent company's comprehensive income.

Parent company condensed balance sheet 30/06/2022

AMOUNT IN SEK THOUSANDS	NOTE	According to Q2 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
ASSETS				
Non-current assets				
Machinery and equipment		761		761
Shares in subsidiaries	12	816,622	-41,808	774,814
Participations in associated companies		123,125		123,125
Receivables from Group companies		62,769		62,769
Long-term receivables associated companies		27,234		27,234
Other long-term receivables		459		459
		1,030,969	-41,808	989,161
Current assets				
Receivables from Group companies		16,826		16,826
Other receivables		1,536		1,536
Prepaid expenses and accrued income		7,399		7,399
Cash and bank balances		116,227		116,227
		141,989		141,989
TOTAL ASSETS		1,172,957	-41,808	1,131,149
EQUITY AND LIABILITIES				
Restricted equity				-
Share capital		5,048		5,048
Non-restricted equity				
Share premium reserve		1,233,370		1,233,370
Retained profit		-282,003		-282,003
Profit/loss for the period		-21,948	-100	-22,048
TOTAL EQUITY		934,468	-100	934,368
Non-current liabilities				
Other provisions	12	204,399	-41,708	162,691
Liabilities to Group companies				
		204,399	-41,708	162,691
Current liabilities				
Accounts payable		4,894		4,894
Liabilities to Group companies		18,599		18,599
Current tax liabilities		341		341
Other liabilities		3,747		3,747
Accrued expenses and deferred income		6,510		6,510
		34,091	-	34,091
TOTAL EQUITY AND LIABILITIES		1,172,957	-41,808	1,131,149

Parent company income statement

January – December 2022

	NOTE	According to AR 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		36,316		36,316
Other operating income		130		130
Raw materials, consumables and goods for resale		-		-
Other external expenses		-51,621		-51,621
Employee benefit costs		-26,221		-26,221
Depreciation/amortisation and impairment		-111		-111
Other operating costs		1,215		1,215
Operating profit/loss		-40,292		-40,292
Profit from participations in associated companies		-		-
Profit/loss from participations in subsidiaries		-73,536		-73,536
Financial income		6,134		6,134
Financial expenses	12	-8,310	-6,400	-14,710
Profit/loss before tax		-116,004	-6,400	-122,404
Group contributions		-37,192		-37,192
Income tax		-		-
Profit/loss for the period*		-153,196	-6,400	-159,596

*Profit/loss for the period corresponds to the parent company's comprehensive income.

Parent company condensed balance sheet 31/12/2022

AMOUNT IN SEK THOUSANDS	NOTE	According to AR 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
ASSETS				
Non-current assets				
Machinery and equipment		677		677
Shares in subsidiaries	12	1,044,231	-17,218	1,027,013
Participations in associated companies		123,125		123,125
Receivables from Group companies		79,861		79,861
Long-term receivables associated companies		28,377		28,377
Other long-term receivables		459		459
		1,276,729	-17,218	1,259,511
Current assets				
Receivables from Group companies		40,560		40,560
Other receivables		2,763		2,763
Prepaid expenses and accrued income		5,817		5,817
Cash and bank balances		179,243		179,243
		228,383		228,383
TOTAL ASSETS		1,505,113	-17,218	1,487,894
EQUITY AND LIABILITIES				
Restricted equity				-
Share capital		6,482		6,482
Non-restricted equity				
Share premium reserve		1,538,737		1,538,737
Retained profit		-282,003		-282,003
Profit/loss for the period	12	-153,196	-6,400	-159,596
TOTAL EQUITY		1,110,021	-6,400	1,103,621
Non-current liabilities				
Other provisions	12	309,374	-10,818	298,556
Liabilities to Group companies				
		309,374	-10,818	298,556
Current liabilities				
Accounts payable		4,664		4,664
Liabilities to Group companies		62,081		62,081
Current tax liabilities		557		557
Other liabilities		11,962		11,962
Accrued expenses and deferred income		6,454		6,454
		85,717	-	85,717
TOTAL EQUITY AND LIABILITIES		1,505,113	-17,218	1,487,894

10. RECLASSIFICATIONS

In connection with the transition to IFRS, the following reclassifications of right-of-use assets and lease liabilities have been specified on separate lines in the balance sheet. As at 31 December 2022, SEK 28.6 million was allocated from Tangible fixed assets to Right-of-use assets and a new asset of SEK 65.4 million was raised, totalling SEK 94 million. At the same time, SEK 13.1 million was allocated from Liabilities to credit institutions to Long-term lease liabilities and a new long-term debt of SEK 45 million was raised, totalling SEK 58.1 million. At the same time, SEK 11.2 million was allocated from Liabilities to credit institutions to Current lease liabilities and a new lease liability of SEK 19.2 million was raised, totalling SEK 30.4 million. Other reclassifications as at 31 December 2022 include reallocation from Raw materials to Other external costs of SEK 2.9 million in accordance with the nature of the costs. In connection with the transition to IFRS, the provision for contingent consideration has been moved to Other financial liabilities.

As at 30 June 2022, SEK 33 million was allocated from Tangible fixed assets to Right-of-use assets and a new asset of SEK 46.4 million was raised, totalling SEK 79.4 million. At the same time, SEK 7.8 million was allocated from Liabilities to credit institutions to Long-term lease liabilities and a new long-term debt of SEK 43.7 million was raised, totalling SEK 51.5 million. At the same time, SEK 22.4 million was allocated from Liabilities to credit institutions to Current lease liabilities and a new lease liability of SEK 1.7 million was raised, totalling SEK 24.1 million. There has also been a reclassification between financial income and expenses of SEK 0.4 million. When liabilities to credit institutions were specified, non-interest-bearing liabilities of SEK 2.4 million were reallocated to Other liabilities. In connection with the transition to IFRS, the provision for contingent consideration has been moved to Other financial liabilities.

11. RECOGNITION OF GOODWILL REVERSAL OF PREVIOUS AMORTISATION

Under IFRS, the item goodwill is an intangible asset with an indefinite useful life, which differs from K3 where goodwill is subject to amortisation based on an estimated useful life of 10 years. The transition to IFRS therefore results in the amortisation of goodwill in 2022 being reversed and recognised as an increase in retained earnings in equity. The transition to IFRS entails a reduced amortisation of goodwill of SEK 72.5 million for 2022 and a reversal of amortisation in subsidiaries of SEK 0.5 million. This increases profit before tax by a corresponding amount and a corresponding increase in retained earnings in equity as at 31 December 2022. An allocation from goodwill to other intangible assets has been made with an amount of SEK 169.1 million, which together with the reversal of amortisation gives a total effect of SEK -96.1 million for the goodwill item as at 31 December 2022.

As at 30 June 2022, the transition to IFRS entails a reduced amortisation of goodwill of SEK 29.1 million, which increases profit before tax by a corresponding amount and a corresponding increase in retained earnings in equity as at 30 June 2022. At the same time, SEK 77 million was allocated from goodwill to other intangible assets, giving a total effect of SEK -47.9 million on the goodwill item as at 30 June 2022. In the interim period from April to June 2022, reduced amortisation amounted to SEK 18.1 million.

12. ADJUSTMENTS TO ACQUISITION ANALYSES

EXPENSING OF TRANSACTION COSTS RELATED TO BUSINESS COMBINATIONS

Soltech has incurred costs for, among other things, legal and financial advice in connection with business combinations which, when applying K3, have been recognised as part of the acquisition value of the businesses, thereby increasing the reported acquisition value as part of the reported value of goodwill. Unlike K3, IFRS requires transaction costs attributable to business combinations to be recognised as an expense in the income statement in the period in which the service is received. The transition to IFRS entails a decrease in goodwill as of 31 December 2022 and an increase in operating expenses under Other external costs of SEK 3.1 million for the full year 2022, SEK 2 million for the period January to June 2023 and SEK 1.9 million in the interim period April to June 2022. The recognition of transaction costs is considered a permanent difference and therefore no tax effect is recognised.

IDENTIFICATION AND MEASUREMENT OF ASSETS IN BUSINESS COMBINATIONS

When businesses are acquired, the difference between the consideration transferred and the identified net assets is allocated to goodwill. Since IFRS imposes higher requirements on the identification of assets, management has, based on the rules in IFRS, performed an updated assessment of identified assets in business combinations that occurred after the date of transition to IFRS. In the updated acquisition analyses, customer relationships and trademarks have been identified and the estimated fair value of these assets is recognised separately from goodwill. The useful life of customer relationships has been estimated at 5 years. For trademarks, the useful life is considered to be indefinite. As at 31 December 2022, the carrying amount for customer relationships and trademarks in the balance sheet amounts to SEK 81.7 million and SEK 101 million respectively, and the year's amortisation of customer relationships in the income statement for the full year 2022 amounts to SEK -10.1 million. As at 30 June 2022, the carrying amount for customer relationships and trademarks in the balance sheet amounts to SEK 28.9 million and SEK 33.7 million respectively and the year's amortisation of customer relationships in the income statement for the period January to June 2022 amounted to SEK -1 million and in the interim period April to June 2022 the corresponding amount was SEK -1 million. Impairment testing of acquired trademarks has not identified any need for impairment.

Soltech also reports a deferred tax liability in the balance sheet as at 31 December 2022 regarding temporary differences relating to trademarks of SEK 19.9 million and customer relations of SEK 24.5 million, a total of SEK 44.4 million. The recognised deferred tax liability is reduced in line with the reduction in the carrying amount of customer relationships and trademarks through amortisation and impairment. The decrease in deferred tax liability is recognised in the income statement on the Income tax line. Expensed deferred tax in 2022 amounts to SEK 2.5 million. As at 30 June 2022, the deferred tax liability relating to trademarks amounted to SEK 8.4 million and customer relations to SEK 7.2 million, totalling SEK 15.6 million. Expensed deferred tax during the period from January to June amounts to SEK 0.2 million and is SEK 0.2 million in the interim period from April to June.

VALUATION OF CONTINGENT CONSIDERATION

In applying IFRS, the measurement of contingent consideration and option premiums from call options recognises the time value of money. In applying K3, recognised liabilities for contingent consideration and option premiums have not been calculated at present value. At the transition to IFRS, Soltech has calculated the present value of liabilities for contingent considerations and option premiums on call options, which means that the carrying amount of these liabilities has increased by SEK 7.3 million and an interest expense corresponding to the discounting effect of SEK 24.5 million for 2022 before tax negative, for the period January to June 2022, the corresponding amount was SEK 4.1 million.

In the parent company, the present value calculation of contingent consideration in 2022 has reduced the parent company's liability for additional considerations by SEK 10.8 million and an interest expense corresponding to the discounting effect of SEK 6.4 million for 2022 has affected profit before tax, for the period January to June 2022 the corresponding amount was SEK 0.1 million.

13. VALUATION IFRS 9

The Group does not apply the impairment rules with full retroactivity as it is not possible to restate previous periods without the use of retrospective information, so the Group's first date of application of IFRS 9 is 1 January 2023. The impairment rules under IFRS 9 mainly affect trade receivables and the receivable from the associated company Advanced Soltech. IFRS 9 means that Soltech must assess expected credit losses, while previously applied principles under K3 were based on a model where the calculation is based on an anticipated event having occurred. For the Group's accounts receivable, a simplified model for expected credit losses has been applied, which has affected equity before tax by SEK 1.3 million.

For the Group's receivable from the associated company Advanced Soltech, nominally amounting to SEK 28.4 million including accrued interest as at 31 December 2022, Soltech has assessed that the receivable has a significantly increased credit risk as of 1 January 2023 compared with the lending date. Based on Soltech's knowledge and insight into the associated company's operations, it was Soltech's judgement at that time that the receivable did not meet the definition of default, which is why the assessment of the credit loss has been estimated on the basis that the receivable is in stage 2 according to IFRS 9. Based on a scenario analysis, an expected loss for credit loss of SEK 9.9 million before tax has been recognised as a reduction in equity.

14. RECOGNITION OF LEASES

IFRS 16 means that Soltech recognises leases that meet the definition in IFRS 16 in the balance sheet as a right-of-use asset and the present value of future lease payments as a financial liability. Soltech primarily has leasing agreements for office space, machinery and cars. Based on Soltech's application of the transition rules, a right-of-use asset of SEK 40.9 million, a receivable for deferred tax of SEK 0.2 million, a prepaid expense of SEK -4.2 million and a financial liability of SEK 36.9 million corresponding to the present value of future minimum lease payments at the time of the transition to IFRS on 1 January 2022 have been recognised. There has been no material impact on the Group's recognised equity at the date of transition to IFRS. As at 31 December 2022, the transition to IFRS 16 means that Soltech recognises in the balance sheet a right-of-use asset of SEK 94 million, a long-term lease liability of SEK 58.1 million and a short-term lease liability of SEK 30.4 million.

In the income statement for 2022, Soltech reports an increased depreciation of rights of use of SEK 16.6 million compared to K3, reduced other external costs of SEK 17.8 million and interest expenses on lease liabilities of SEK 1.6 million. In the income statement for the period January – June 2022, the transition to IFRS means that depreciation of rights of use increased by SEK 7.8 million, reduced other external costs of SEK 8.4 million and that interest expenses on lease liabilities of SEK 1.2 million are recognised. For the interim period April – June 2022, depreciation of right-of-use assets amounts to SEK 4.6 million, interest expenses on lease liabilities of SEK 0.2 million are recognised as well as reduced other external costs of SEK 5 million.

Soltech recognises a deferred tax asset linked to lease liabilities and a deferred tax liability linked to right-of-use assets. In the balance sheet, Soltech has recognised net deferred tax assets and deferred tax liabilities relating to leases and recognises a deferred tax asset totalling SEK 0.3 million in the 2022 annual accounts. As at 30 June 2022, the corresponding amount was SEK 0.2 million.

15. RECOGNITION OF PROFIT OR LOSS FROM INVESTMENTS IN ASSOCIATED COMPANIES

As a result of the partial divestment and listing of Advanced Soltech (ASAB), Soltech can no longer have a controlling interest in ASAB. Furthermore, ASAB operates independently from Soltech with its own management function, governance and responsibility for the business model and development of the business. Based on this, it is Soltech's assessment that ASAB does not constitute an integrated part of the Group and therefore the results of associated companies are recognised in operating profit. For the six-month period January – June 2022, this means that operating profit decreases by SEK 2.7 million, while net financial items are affected by a corresponding amount, the corresponding amount for the interim period April to June 2022 was SEK 7.8 million. For the full year 2022, the amount amounted to SEK -114.1 million and net financial items are reduced by the corresponding amount. The change has no impact on recognised tax.

16. FINANCIAL MEASURES NOT DEFINED UNDER IFRS AND DEFINITIONS

Amounts are reported in SEK thousands (unless otherwise indicated)	**2023** April – June 3 months	**2022** April – June 3 months	**2023** Jan. – June 6 months	**2022** Jan. – June 6 months
Operating profit/loss	**14,381**	-46,708	**4,925**	-90,284
Depreciation/amortisation and impairment	**17,443**	2,492	**34,090**	15,923
EBITDA	**31,825**	**-44,216**	**39,015**	**-74,361**

KEY RATIOS	DEFINITION	MOTIVATION
EBITDA	Operating profit/loss (EBIT) before depreciation, amortisation and impairment of tangible and intangible fixed assets. The non-cash effects of Soltech's share in associated companies are not included.	The purpose of recognising EBITDA is to provide investors with a view of the profitability of operating activities.
Earnings per share before dilution	Profit/loss for the period after tax divided by the number of shares outstanding at the balance sheet date.	Earnings per share outstanding.
Earnings per share after dilution	Profit/loss for the period after tax divided by the number of shares outstanding at the balance sheet date plus shares that may be added due to shares outstanding.	Earnings per share after any dilution.
Organic growth	Change in total revenue in comparable units after adjusting for currency effects, as a percentage of net sales in the comparison period.	Organic growth excludes the effects of acquisitions and exchange rates, which enables a comparison of net sales over time.

The Board of Directors and the Chief Executive Officer state that the interim report provides a true and fair view of the parent company's and the Group's business, position and financial results and describes the significant risks and uncertainty factors that the parent company and the Group companies are facing.

STOCKHOLM, 23 AUGUST 2023

Mats Holmfeldt
Chairman of the Board

Stefan Ölander
Board member and CEO

Hellen Wohlin Lidgard
Board member

Vivianne Holm
Board member

Göran Starkebo
Board member

Johan Thiel
Board member

This interim report has not been reviewed by the company's auditors.

For further information, please contact:

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Future reporting dates:

Interim report third quarter	16 November 2023
Year-end Report	23 February 2024

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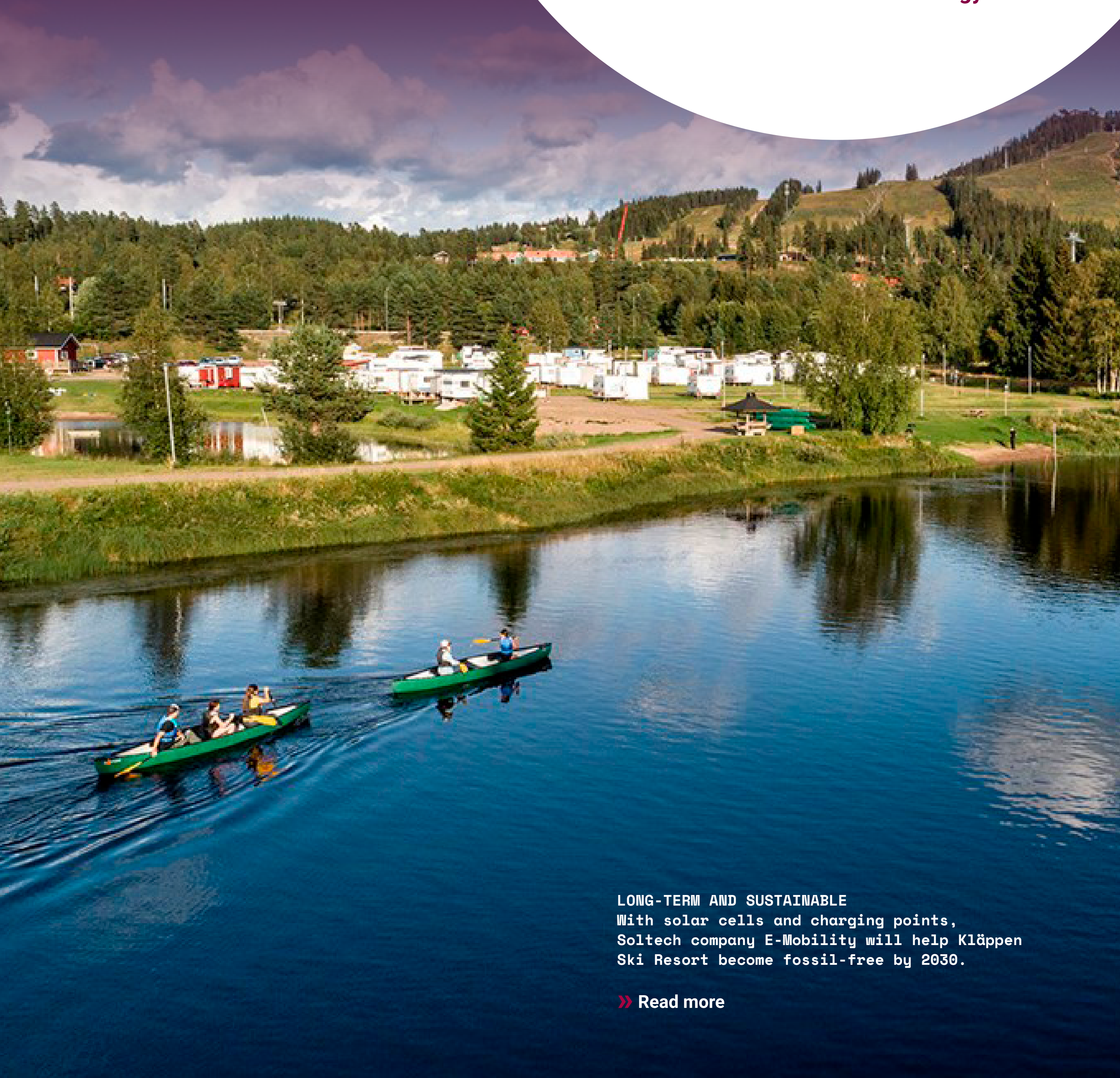

LONG-TERM AND SUSTAINABLE
With solar cells and charging points, Soltech company E-Mobility will help Kläppen Ski Resort become fossil-free by 2030.

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