



Annual report & consolidated accounts

2022

"This report has been prepared in both Swedish and English versions.
In case of variations in the content between the two versions,
the Swedish version shall govern."

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The solar energy that hits the Earth's surface in two hours is enough to satisfy the entire world's energy needs for one whole year.

2 000
million in total revenue

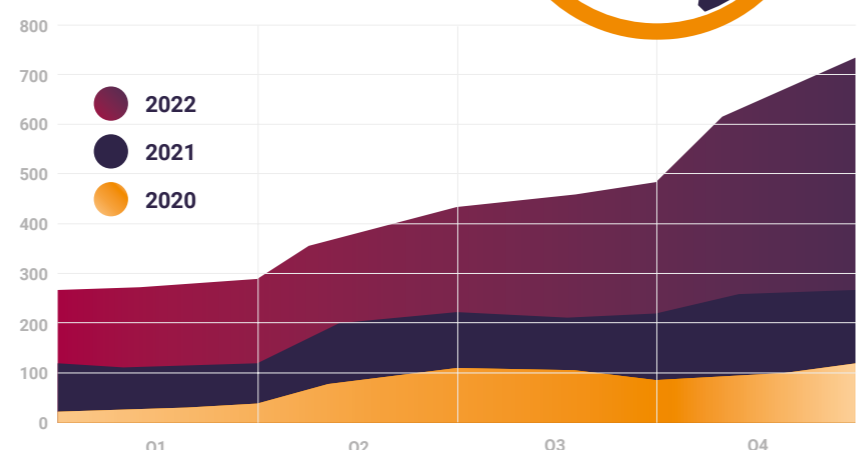
24
companies in three countries

40^x
5 years' growth from SEK 50 – 2,000 million



Organic growth

Growth* 2020–2022
/quarter



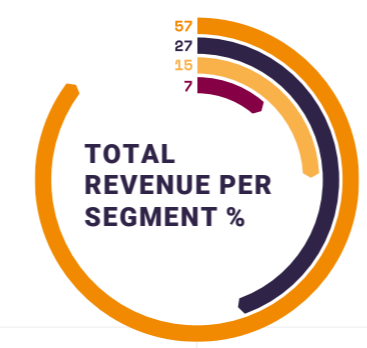
*Total revenue for the last three years

78 000
shareholders

606 000
shares traded per day

100 777
kWp installed and commissioned (SE)

15 784
tonnes of CO₂ savings in all companies



SWEDEN
3 SOLAR COMPANIES
+7 +2

THE NETHERLANDS
1 SOLAR COMPANIES
+1

SPAIN
1 SOLAR COMPANIES
+1

2 ADDITIONAL ACQUISITIONS

2 FACADE COMPANIES

4 ELECTRICAL ENGINEERING COMPANIES

11 ROOFING COMPANIES

approx. **950**
Employees in three countries in Europe

Soltech Energy

- SOLAR: Soltech Energy Solutions, Soltego, Measol, 365zon, SUD Renovables
- ROOFING: NP Gruppen, Takorama, Takronid, On Takläggare, Arvidsands Tak, Ljunga Gedum, Takbyrå, Wettergrens Tak, Takab, Falu Pålslageri, TAKAB
- FACADE: Facadesystem, ESSA
- ELECTRICAL: Provetek, Rams EI, TGx EI, E-Mobility
- SUPPORT: Soltech Business Support

2022 – the year in brief:

- Two new markets**

Soltech entered Spain and the Netherlands with the subsidiaries **365zon** and **SUD Renovables**.
- New focus area**

SOLAR PARKS – Huge demand for large-scale solar energy with a sustainable future.
- Hybridparks**

We are focusing on **plug in solutions** for our customers and collaborating with leading operators where necessary.
- First prize**

We came first in the **Skåne Solar Award** for our Hyllie multistorey car park facility just outside Malmö.
- CFP-panels**

We started installing one of the **largest photovoltaic systems in the Nordic region** using partially recycled silicon.
- Acquisitions**

Nine new subsidiaries including two **add-on acquisitions** were welcomed into the the Soltech family.

From SEK 50 million to SEK 2000 million

Soltech can look back on a very expansive year with good growth – both organically and through several strategically important acquisitions. The industry has shown continued strong demand with good underlying growth, which is expected to continue for many years to come.



The solar energy industry has had a major boost from the current energy conditions in Sweden, and the demand for alternative and cost-effective energy solutions has increased because of the global situation. While the Soltech Group has enjoyed high demand and increased sales, we have seen declining profitability caused by disruptions in the supply chain, longer delivery times and significantly increased purchase prices in combination with long fixed-price contracts.

Being a large group, we have been able to mitigate some of these issues, such as longer delivery times, through bulk purchasing products and an expanded warehouse. This has allowed our companies to continue to deliver without excessive delays.

We are pleased to see that organic growth has again increased during the year to 57%, which is proof that our companies are developing positively and that the synergies between them are yielding good results.

The future looks bright and, as we like to say – nothing is hotter than the sun – and that remains true today. We are a group with around 950 employees, operating in Sweden, the Netherlands and Spain, and almost 80,000 committed shareholders, making us a strong driving force in the green transition – a modern energy movement.

I cannot think of any industry that is as timely as solar energy. A long series of macro trends is like a strong headwind for us. I'm thinking of private individuals, companies and the public sector who want to produce their own energy from the sun, not just to bring down electricity bills, but to feel like they are part of a modern energy movement that is creating a green future. 2023 has started well and our continued focus is on **quality, profitability and growth**.

Stefan Ölander, CEO

IMPORTANT EVENTS IN EACH QUARTER

Q1 FIRST COMPANY OUTSIDE SWEDEN ACQUIRED IN THE NETHERLANDS

- Sick leave and quarantine rules due to Covid-19 continues to affect Soltech
- Soltech experiences rapid growth
- Russia launches the war against Ukraine, changing the global landscape
- Major material supply challenges – Soltech benefits from being a major operator and expands storage capacity which ensures deliveries for its companies
- Soltech looks out to Europe and acquires 365zon in the Netherlands, a leading solar company in the residential market

Q2 HUGE DEMAND FOR SOLAR ENERGY AND THE ACQUISITION OF A COMPANY IN SPAIN

- The war in Ukraine and soaring energy prices lead to lengthy delivery, material and installation times
- Soltech increases efforts to purchase products for warehousing and cooperation between subsidiaries grows
- We continue to expand into Europe with the acquisition of Sud Renovables in Spain, a leading solar company for private and business customers

Q3 SOLTECH SHOWS IMPRESSIVE ORGANIC GROWTH

- Inflation hits with full force resulting in large price increases
- Soltech is hit by price increases, leading to a partial decline in project profitability
- Solar energy transformation is on the rise – solar energy makes our traditional companies less vulnerable in their core business activities

Q4 THE FOCUS ON PROFITABILITY YIELDS RESULTS – 40 X DOUBLED REVENUES

- Soltech reports profitability and a new revenue record – we reach SEK 755.2 (238.2) million in total revenue and deliver an adjusted EBITDA of SEK 47.4 (-25.8) million
- We grow organically by 81% and end the year with an annual increase of 57% in organic growth
- A decision is made to close down Neabgruppen as the company could not be saved or converted from the turnaround case it was. This was a difficult but necessary decision. Going forwards, this company will have no impact on the Group's profit/loss
- In 2022, we gradually increased our focus on profitability with successful results from synergies in purchasing, sales, marketing and human resources
- We doubled our revenue forty times from SEK 50 million in 2018 to SEK 2,000 million in 2022

Transformation creates a platform for increased profitability

Since 2019, Soltech has had a new transparent business model and the Group has developed in its current form through the acquisition of some 30 unique companies run by strong entrepreneurs. Our strategy is to grow as a group by attracting the most enterprising business founders and the best companies in our sectors that are a good fit for the Soltech family. Our joint strength is to meet needs across the entire value chain of solar energy solutions with expertise and experience at every stage. Solar installations are complex and have long lifespans, so it is important that all parts of the process are carried out correctly.

WE BUILD STRONG TEAMS WITH A VARIETY OF SKILLS

An important piece of the puzzle in the Group's acquisition strategy is to buy companies that contribute to developing the offering in solar energy and renewable smart technical solutions – for the properties of the future and for the development of sustainable societies. We acquire and develop companies in roofing, façade, electrical engineering, charging and storage and integrate solar energy into business operations.

This adds solar energy solutions to the existing core business and creates opportunities in a rapidly growing market. In 2022, we also launched the Group in the Netherlands with the company 365zon and in Spain with SUD Renovables.

ADDITIONAL ACQUISITIONS

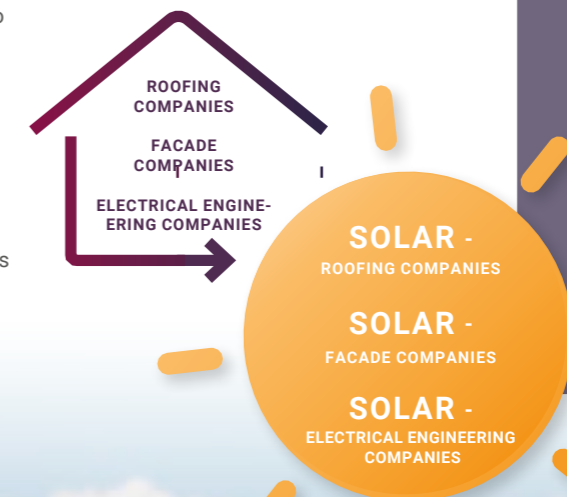
We also acquire additions to our subsidiaries in order to quickly develop expertise and broaden our business operations. In this way, we accelerate the pace of solar energy installations in society.

By establishing competence bridges of this kind, both employees and companies are strengthened and customers can easily find a 'one stop shop' and a clear contact for contracts and guarantees.

LOCAL GOVERNANCE AND COOPERATION

THE RECIPE FOR OUR SUCCESSFUL BUSINESS MODEL:

- Decentralised organisation
- Subsidiaries that manage their own operations are flexible and enterprising
- Subsidiaries work closely with and nurture their customers to increase profitability and strengthen customer relationships
- Development of the Company's unique culture, history and staff



OUR ACQUISITION JOURNEY HAS RESULTED IN:

- Strength to explore new markets and target groups
- Increased credibility
- Larger total customer base
- Easier recruitment
- Increased efficiency
- Stronger brand
- Skills transfer



A visit to one of our installed solar panel installations in Jordbro.

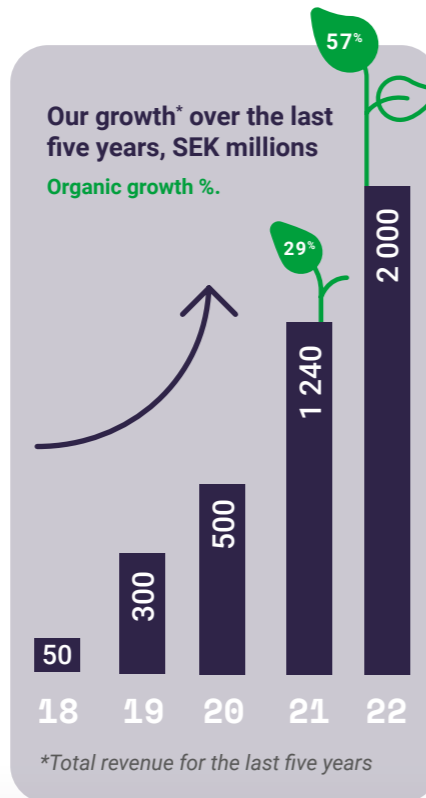
Strong growth momentum in the Group

Since Soltech was founded, we have been looking to the future as part of our mission to integrate the sun into everyday life. We are a modern energy movement covering all aspects of a sustainable future with the sun as a platform for all our customers and stakeholders.

When Soltech was founded in 2006, we were among the first to work with solar energy on the Swedish market for both private individuals and companies. Today we remain strong and are one of the leading players on the Swedish solar energy market. We focus on technologically advanced solutions such as control systems, storage and charging. These are some of the essential pieces to enable the sun to help solve our challenging and growing energy needs.

Happily, 2022 closed with about **SEK 2 billion in turnover**, a 40-fold growth since 2018 and no less than 57% organic growth. This is a good sign that our companies are continuing to develop in a sustainable way and that synergies between the companies are producing results.

Our focus from 2023 onwards is on three important elements for a long-term sustainable business for the entire group – **quality, profitability and growth**. With the size and power we have today and the global challenges of recent years, we will grow at an appropriate pace in the right business areas.



SOLTECH'S PRODUCTS, SOLUTIONS & SERVICES

Soltech acquires and develops companies in industries closely related to the solar energy sector. With acquisitions in solar energy, roofing, facade and electrical engineering, we offer all types of services to all target groups from private individuals to property companies, industry, the public sector and landowners.



Patrik Hahne 
COO

We are now investing heavily in developing our existing subsidiaries through a clear and effective solar transformation in combination with increased cooperation between the companies, with the aim of maximising synergy effects and creating better profitability.

With a larger portfolio of companies, we see the effects of this not least in purchasing, recruitment, transfer of expertise and turnkey contracts. Our major focus is on long-term relationships for green transition with profitability for all parties involved, including customers and suppliers.

In 2022, the focus has shifted to profitability issues and how we can best increase it and utilise the synergies that exist within the Group.

THIS WORK CAN BE DIVIDED INTO SIX FOCUS AREAS AS ILLUSTRATED BELOW

Efforts to capitalise on synergies are ongoing, but they are primarily based on dialogue with the various subsidiaries as well as customers, suppliers and interest groups.

- | | | | |
|--|-----------|--|-----------|
|  Market consolidation | 01 |  Acquisitions of profitable companies | 04 |
|  Economies of scale | 02 |  Supplier & purchasing synergies | 05 |
|  Development & sales collaborations | 03 |  A strong brand & price elasticity | 06 |

Growth with profitability

Our Spanish subsidiary Sud Renovables is forging ahead. The purchase of 65% of the shares in this solar energy company was Soltech's second acquisition in Europe and the company became part of the Group at the beginning of July last year. With approximately 160 employees, Sud Renovables is active in the development and installation of solar energy and storage solutions for property owners, individuals and companies through rooftop solar installations, solar parks and solar facades.

Sud Renovables has a strong position in the Spanish market and is a leader in several solar energy areas for both consumers and commercial property owners. Recently, the company has built and commissioned Catalonia's largest rooftop photovoltaic installation on an industrial property, which will significantly reduce the property owner's electricity costs.

ABOUT SUD RENOVABLES

Sud offers comprehensive services in the fields of engineering, construction and renewable energy development. The Company employs engineers to develop projects and also has its own installation company. The Company was founded in 2005 out of a strong interest and commitment to renewable energy. Ten years ago, a dedicated lab was built to see how to combine different technologies and compare performance.

The journey within the Soltech Group continues and development is strong and profitability is good as we enter 2023.

Solar panels on industrial roofs installed by SUD Renovables in Catalonia.

Alfred Puig
Co-founder
Sud Renovables



We are very proud to have completed a really interesting project that keeps us at the forefront of the market for solar energy on industrial buildings. It feels really gratifying to help companies reduce their electricity costs while also reducing their carbon footprint.

Rising to the energy challenge

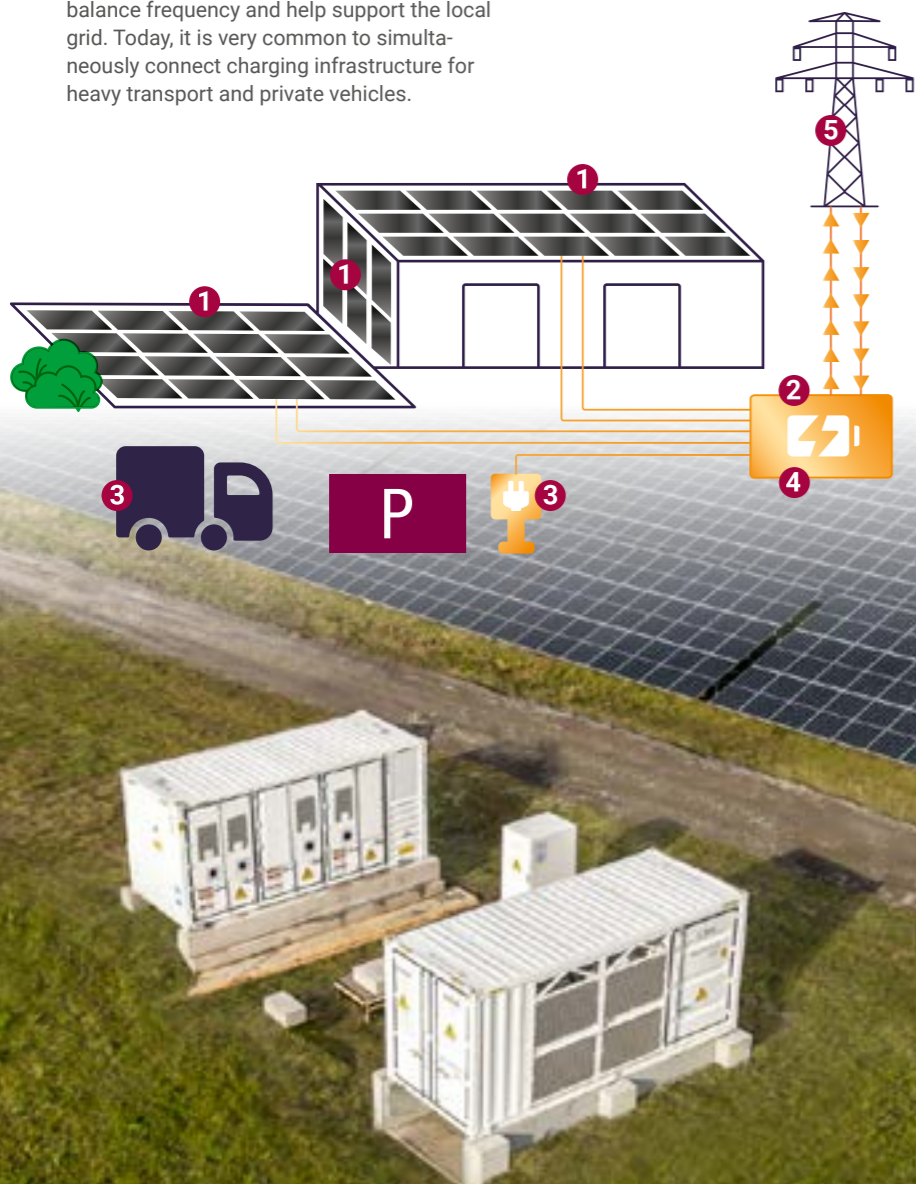
Solar energy, battery parks and smart financing – energy as a service EaaS. As roof and facade surfaces are often unexploited for solar panels, we are seizing the opportunity to quickly convert these unused surfaces to produce green energy, relieve the burden on our collective electricity grid and, with a battery and charging park nearby, maximise the use of the sun's rays.

The same principle also applies to solar parks where we are investing heavily to create sustainable energy for society's future increasing electricity demands.

We have been working on **Energy as a service** for a long time and demand continues to grow for smart technological solutions for energy services. Customers, land owners and property owners sign an electricity trading contract and buy the electricity produced by the solar panels at a lower price than market price. If business operations require a lot of energy, we connect our battery system that is part of the hybrid plant to cut power peaks, balance frequency and help support the local grid. Today, it is very common to simultaneously connect charging infrastructure for heavy transport and private vehicles.

This solution is called Energy as a service, where Soltech and investment partners are responsible for the financing and the customers only sign an electricity trading and assignment contract.

It is clear that the interest in these solutions in Sweden is growing and we see many customers who can speed up their solar cell investment with the help of this type of electricity trading agreement. When we also connect a **smart energy storage**, the possibility of getting both cheaper and more self-produced electricity that you control yourself increases.



2022 AWARD

Hyllie multi-storey car park – award-winning mobility centre that won the Solarprice prize – Solar Region Skåne

HOW IT WORKS

1 SOLAR PANELS

Rooftop or land is leased where we install a photovoltaic system

2 ENERGY STORAGE

Energy storage ensures the availability of energy if the grid has poor capacity

3 CHARGING INFRASTRUCTURE

Contributes to the infrastructure of the future for e.g. transport

4 ELECTRICITY CONVERSION

The locally produced electricity is used or converted into revenue

5 ELECTRICITY TRADING

Electricity is sold to the market when the price is at its best

The share and shareholders

Soltech Energy Sweden AB (publ) was introduced on Nasdaq First North on 25 June 2015 with the designation SOLT. On the balance sheet date, the share capital amounted to SEK 6,482,449.70 divided into 129,648,994 shares.

OWNERSHIP

All shares are of the same class with equal voting rights and share in the Company's capital and profits. One trading lot comprises 1 share. At the end of 2022, Soltech had more than 78,000 shareholders.

DIVIDEND POLICY

The Company's Board of Directors proposes that the 2023 Annual General Meeting resolves that no dividend be paid.

During the year, a number of new issues were carried out in conformity with the AGM's authorisation, partly in connection with acquisitions and partly in a cash issue in October. The number of shares at the end of the months in which new issues were made is shown below.

EXCHANGE RATE DEVELOPMENTS AND TRADING

The share price was SEK 23.18 at the beginning of the year and SEK 10.50 at the end of the year, corresponding to a market capitalisation of just over SEK 1.3 billion.

Key ratios per share

KEY RATIOS	2022	2021	2020	2019	2018	2017
Number of shares, average	105 036 642	80 358 480	61 083 346	48 568 551	36 695 877	30 854 010
Number of shares, outstanding	129 648 994	94 581 000	69 529 332	54 599 358	42 537 744	30 854 010
Earnings per share, SEK	-2,03	0,86	-1,3	-0,61	-0,4	-0,36
Equity per share, SEK	8,61	9,92	7,75	4,44	3,44	4,86
Dividend per share	-	-	-	-	-	-

The ten biggest shareholders

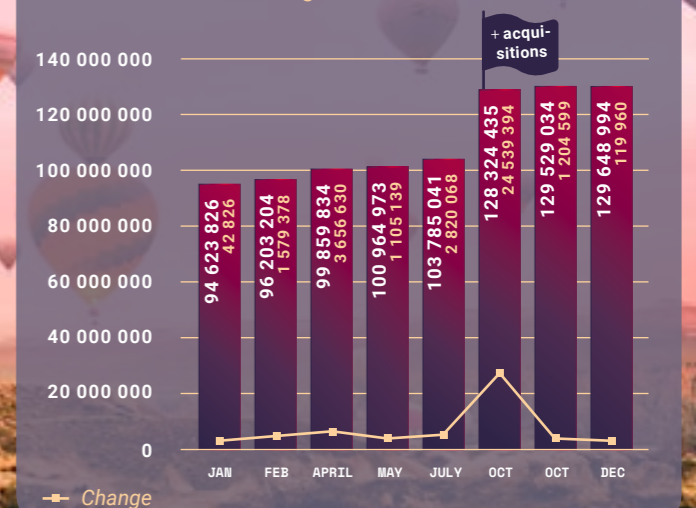
Holdings & votes, %

NAME	SHARES	%
Avanza Pension*	8 097 321	6,25 %
Swedbank Försäkring*	3 137 878	2,42 %
Nordnet Pensionsförsäkring*	2 296 964	1,77 %
Stefan Ölander	1 451 637	1,17 %
Ruter 5 Holding AB	1 215 941	0,95 %
JT Starks Holding AB	1 121 869	0,87 %
Frederic Telander	1 119 805	0,86 %
Christoffer Caesar	877 625	0,68 %
Gunvald Berger	683 021	0,64 %
Per Smedsjö	534 208	0,45 %
TOTAL	20 536 269	16,06 %

* Source Euroclear *shares in pension schemes

Shares after new issue

Total amount & Change



Working towards a sustainable green transition

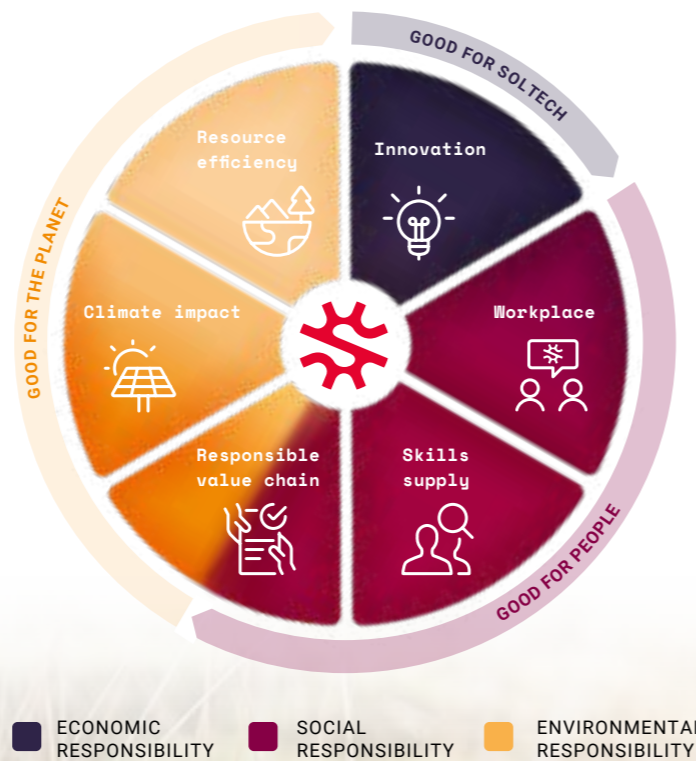
Our ambition is to contribute to the green transition, thus contributing to a sustainable society and playing an important role in the next generation's wellbeing. As pioneers on the Swedish solar energy market, we constantly see that our contribution to the green transition does more than just good in the form of more renewable energy – it is also a profitable investment for our customers. Soltech's products and services are an important part of our customers' sustainability work and our sustainability agenda is based on constantly trying to find the best solutions that fit our customers' high demands.

Soltech has a long history of working with sustainability and safeguarding social and environmental issues. As a result of the Group's strong growth, in 2022 we took the next step in our sustainability work and brought all our efforts together under a common sustainability agenda. Our aim is to make sustainability work good for the planet, for people, for Soltech and for the economy.

Our sustainability agenda includes six areas that represent the most important issues for us. By working on these issues, Soltech is part of the solution to the challenges of these industries and at the same time our sustainability work helps to strengthen our business goals.

As part of the process of identifying our most important and prioritised issues, we have examined both the upcoming EU legislation on sustainability reporting (CSRD) and the 2030 Agenda. Based on this, a materiality analysis has been carried out, which means prioritising different sustainability aspects based on financial, social and environmental impact. We have then identified the key issues for each goal in the 2030 Agenda. Below we show which of the 17 SDGs Soltech's operations have the greatest impact on.

Managing our common resources in a sustainable way is an important factor. We place great emphasis on the use of resources, such as energy, premises, waste, travel and transport, and on reducing these through reasonable efforts.



Anders Arwefeldt
Head of Sustainability



THE GLOBAL GOALS



Soltech's sustainability work is undergoing rapid development, and we have taken and will continue to take major steps in a short space of time. Our core business accelerates the green transition, but it is also our responsibility to ensure that this happens in a sustainable way, as ensured by our sustainability agenda.

SKILLS SUPPLY
The focus area addresses issues related to the availability of skilled employees. By identifying and attracting skilled employees, we reduce the risk of failing to develop our business.

RESOURCE EFFICIENCY
Resource efficiency at Soltech focuses on the availability of raw materials and supplies. Purchasing is a central function in the focus area and our long-term goal is to ensure sustainable purchasing and create circular flows in the Group.

RESPONSIBLE VALUE CHAIN
The objective of the focus area is to manage and mitigate risks related to human rights and the environment. By managing our value chain responsibly, we are improving the situation for the people in it and creating a competitive advantage.

CLIMATE IMPACT
Our core business is to make renewable energy available and in doing so reduce the climate impact of the energy system. Within the framework of the focus area, we aim to minimise the climate impact of our own operations throughout the value chain.

WORKPLACE
The workplace focus area includes issues related to the physical workplace and occupational health and safety. Soltech's employees are our main asset and we aim to create high-performing teams and a high quality working life.

INNOVATION
Innovation at Soltech means creating collaborations where existing technology can be used in a new, innovative way and putting together existing technologies in new types of larger systems. Soltech's innovation work aims to address these two needs to contribute to the green transition.



** In total, the Soltech Group installed and commissioned 100,777 kWp in 2022, with 57,000 kWp in Sweden and 43,763 kWp in Spain and the Netherlands.

*** The CO₂e saving for what was installed in Sweden is estimated to be 2676 tonnes per year, corresponding to 80,280 tonnes of CO₂e over 30 years.

**** Our company in the Netherlands 365zon manages its project and transport planning with the help of an AI system to reduce the number of transports and thereby contribute to lower emissions.

Sustainability objectives – 2023 and 2024

IN 2023 AND 2024, WE WILL FOCUS ON IMPLEMENTATION, PROCESSES AND MEASUREMENT TO LEAD THE WORK IN THE SELECTED FOCUS AREAS OF WHAT, HOW AND WHY.

WHAT

HOW

WHY

ENVIRONMENTAL RESPONSIBILITY – THINGS THAT ARE GOOD FOR THE PLANET:

Review of the Group's main suppliers	In accordance with the OECD Guidelines for sustainability assessments in the supply chain	To identify and mitigate potential misconduct and ensure fairness throughout the entire value chain
Ensure that Soltech's Code of Conduct is followed by external parties	Through audits and dialogue	To ensure fair conditions throughout the entire economic, social and environmental value chain
Climate accounts (total emissions for the Group) with a focus on Scope 1 and 2*	By measuring the climate impact of activities	To contribute to the global transition and keep human climate impact below 1.5°C
Increase the number of sustainable products	Through discussions with suppliers and customers. Classification according to our own assessment based on environmental, social and economic factors	To move the Group's purchases towards more sustainable alternatives and thus reduce the negative impact on the planet and people
Identify materials used	By identifying inputs and purchases for projects	To identify the potential for circular flows through the Group
AI for logistics planning	Develop and further implement within the Group wherever possible	Reduce emissions and the environmental impact of transporting materials
Increased total installed and commissioned capacity	Through increased solar transformation in the Group and continued solar energy growth	To accelerate the green transition and contribute to the achievement of the Sustainable Development Goals

WHAT

HOW

WHY

SOCIAL RESPONSIBILITY – THINGS THAT ARE GOOD FOR PEOPLE:

More relevant applications for key competences	Launching and evaluating employer branding concepts	To reach more qualified candidates and ensure internal competence in the long term
Increased gender equality, including more women in the Group	Further adapting recruitment to attract women to apply for roles in our industries	Diversity and gender equality create good workplaces and meet global targets
Satisfied employees	Launch of group-wide employee survey	Analyse and implement activities based on the results
Engagement and leadership index	Through Group-wide survey	To ensure that employees are happy and feel comfortable with needs-based leadership

WHAT

HOW

WHY

ECONOMIC RESPONSIBILITY – THINGS THAT ARE GOOD FOR SOLTECH AND SOCIETY:

Risk assessment	A risk assessment is carried out annually based on a risk assessment model	To ensure responsible operations
Common Group reporting system	Implementation in the Group	Transparent reporting in the Group
Type classification of transactions/projects	Classification and differentiation of projects and business with solar energy solutions	To increase and measure the solar transformation and implement proper reporting according to EU taxonomy

*SCOPE 1 - EMISSIONS OCCURRING IN OWN OPERATIONS (DIRECT).

SCOPE 2 - INCLUDES EMISSIONS (INDIRECT) FROM PURCHASED ELECTRICITY, HEATING AND COOLING.

How we manage our sustainability work

Our subsidiaries work continuously on the objectives and regulations included in the Group's overall strategies and their respective local issues. Several companies have certified management systems for HSQE, and engage in active dialogue with their stakeholders on issues such as procurement requirements.

In the subsidiaries' daily work, Byggarubedömningen and Sunda Hus assessments are used to meet requirements and ensure that the most sustainable products possible are used in projects.

The Soltech Group consists of a wide range of companies from four main industries: roofing, facade, solar and electrical engineering. Although there are some similarities, each company's sustainability efforts are unique. Synergies and coordination take place in order to benefit from the companies' varied experience in the field of sustainability and to achieve new, higher levels.

PREPARING FOR THE UPCOMING LEGISLATION

In the coming years, extensive new legislation in the field of sustainability that directly affects Soltech will be introduced. The EU's new Corporate Sustainability Reporting Directive (CSRD) is coming soon and with it Soltech will report according to the EU's Taxonomy legislation. There will also be legislation on due diligence (EU CSDDD) in the supply chain and beyond, a ban on products made using forced labour, and legislation on minerals and rare earth elements.

At Soltech, we are constantly monitoring upcoming legislation and have already started to prepare and implement changes in the business to meet the new requirements. An example of this is the alignment of our latest materiality analysis with the CSRD. We are reviewing the possibility of switching to a new accounting policy that will allow for simpler Taxonomy reporting and attract new types of investors. The implementation of a group-wide due diligence process has started to fulfil the requirements of the CSRD.



Teresia Gillgren

COO
Soltech Energy Solutions



Soltech is attractive because there is an entrepreneurial spirit and a willingness to drive the energy system's transition to renewable energy sources. This is an important part of the world's efforts to reach the 1.5 degree target and become sustainable in the long term," says Teresia Gillgren.

Soltech Energy Solutions works with the Group's large-scale solar energy solutions on roofs, land, battery storage and charging.

Corporate governance



Mats Holmfeldt
Chairman of the Board



2022 was an intensive and tumultuous year in many ways both for the world and for Soltech, its employees and its customers. The year began with the war in Ukraine, which has had a major impact on how we view the world today and our future, having previously taken a lot of things for granted.

At the Company's annual general meeting in May, Vivianne Holm and Johan Thiel were elected as new Board members and I was elected as the new chairman.

Today's Board has a broad entrepreneurial background and experience in development and growth. The Board also has experience of large companies in an international environment and, crucially, in areas such as organisation, sales, products, and financial and legal perspectives.

During the year, we held 19 board meetings and the risk and audit committees held a total of seven meetings. Their task is to identify internal and external risks and to ensure that there are satisfactory controls for compliance with laws and regulations applicable to the organisation and compliance with internal guidelines.

Over the year, I can say that the work between the Board, its committees and management has developed significantly. The Board is a team, and our task includes working on how we can create better conditions for the CEO and the management team to do a better job and consequently to create more shareholder value.

We have increased our focus on strategic issues but also tactical choices when the circumstances require it. Our work focused on growth through acquisitions in the past, but with a strong concentration of companies, we have gradually shifted to focus more on intra-group coordination and a generally increased focus on profitability as a basis for continued growth.

Finally, I would like to draw your attention to our sustainability efforts, where we are now moving forward with a clearer common structure for our sustainability reporting.

Thanks for this past year, and we look forward to the next one with confidence.

Mats

Soltech Energy Sweden AB (publ) is a Swedish public limited company and is regulated by Swedish legislation, primarily the Swedish Companies Act (2005:551) and the Swedish Annual Accounts Act (1995:1554) and Nasdaq Stockholm's Rulebook for Issuers. In addition to legislation and general rules and recommendations, the Articles of Association, rules of procedure for the Board of Directors and committees, instructions for the CEO, and policies and other guidelines are also key documents for corporate governance.

The Articles of Association are available here (in Swedish):

» www.soltechenergy.com/en/investors/

LEGISLATION AND ARTICLES OF ASSOCIATION

Soltech does not apply the Swedish Code of Corporate Governance but has taken guidance from this for Soltech's corporate governance.

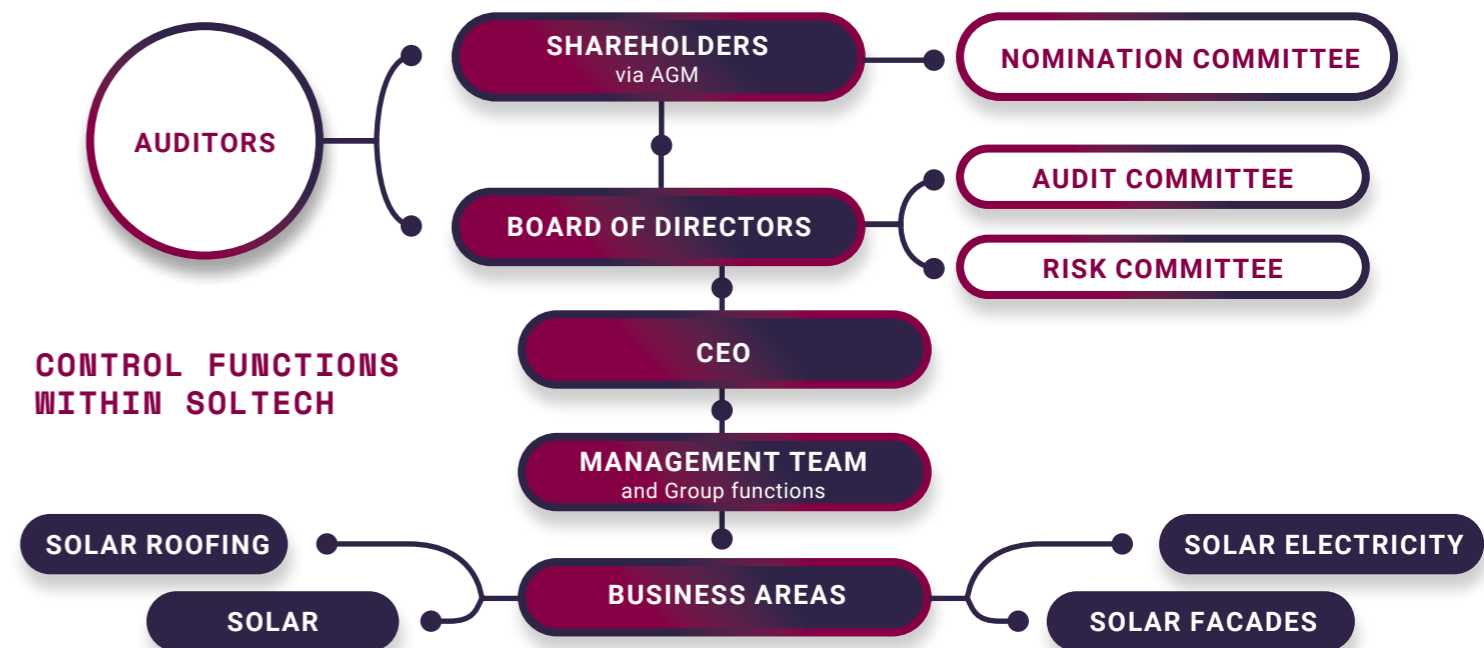
Soltech is also subject to the provisions of the EU Market Abuse Regulation No. 596/2014 (MAR), which places great demands on how Soltech handles insider information. MAR regulates, among other things, how insider information is to be disclosed to the market, the conditions under which publication may be postponed and the manner in which Soltech is obliged to keep a list of persons working for the Company who have gained access to inside information about Soltech ("Insider list").

ANNUAL GENERAL MEETING

The General meeting of Soltech Energy Sweden AB is the Company's highest decision-making body in which the shareholders exercise their influence over the Company. Some of the most important tasks of the AGM are to adopt the Company's balance sheet and profit and loss accounts, to decide on the appropriation of profits and on the discharge of the Board of Directors and the CEO from liability, to elect the members of the Board of Directors and the auditors, and to remunerate the Board of Directors and the auditor. Shareholders also decide on other key issues at the AGM, such as amending the Articles of Association, authorising new share issues, etc.

Notice of the Annual general meeting shall be given by publishing an announcement in Post och Inrikes Tidningar and by making the notice convening the meeting available on Soltech's website (www.soltechenergy.com). The fact that notice has been given shall be announced in Dagens Industri at the same time. The right to attend and vote at the general meeting, either in person or by proxy, is granted to shareholders who are registered in the Parent Company's share register maintained by Euroclear five weekdays before the general meeting (i.e. on the record date) and who notify the Parent Company of their participation no later than the date stated in the notice convening the meeting. Notices, minutes and communiqués from the General meetings are available on the Parent Company's website:

» www.soltechenergy.com/en/investors/



CONTROL FUNCTIONS WITHIN SOLTECH

GROUP

The Company is the Parent Company of the Soltech Group ("Soltech"). In 2022, the Group operated in Sweden, the Netherlands and Spain.

BOARD OF DIRECTORS

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The main task of the Board of Directors is to safeguard the interests of the Company and its shareholders. Soltech's Board of Directors has the overall responsibility for the Company's organisation and management and for ensuring that guidelines for the management of the Company's funds are appropriately structured and complied with. The Board of Directors is also responsible for establishing and evaluating Soltech's overarching, long-term strategies and goals, establishing budgets and business plans, reviewing and approving decisions, adopting general guidelines, deciding on matters relating to acquisitions and divestments of businesses and deciding on major investments and significant changes in Soltech's organisation and operations. The tasks also include ensuring that the Parent Company's disclosure of information to the market is transparent, accurate, relevant and reliable, and appointing and appraising the CEO.

THE BOARD'S COMPOSITION AND INDEPENDENCE

The Board is elected by the AGM for the period until the next AGM. The Board shall consist of a minimum of three and a maximum of seven members elected by the General meeting. A presentation of all of the members of the Board can be found here:

» www.soltechenergy.com/en/about-us/board/

THE BOARD'S WORK

The Board has established written rules of procedure for its work, which are evaluated, updated and re-established annually. The Board meets regularly according to a programme set out in the Rules of Procedure, which includes some fixed decision points and some decision points when needed. To ensure and develop the quality of the Board's work, an annual evaluation of the work of the Board and its members is carried out under the direction of the Chairman. The results of the evaluation were presented in writing and orally to members, who then discussed them together at the February 2023 Board meeting. The Chairman of the Board has also presented the results of the evaluation at a meeting with the Nomination Committee.



Soltech's board,
financial year 2022

COMMITTEES

The Board may set up committees to prepare matters in a particular field and may also delegate decision-making powers to such a committee, but the Board cannot take responsibility for the decisions taken on that basis.

Within the Board, there is an Audit Committee and a Risk Committee. The Audit

Committee is composed of Mats Holmfeldt (Chair), Niclas Lundin and Vivianne Holm. The Audit Committee is responsible for monitoring the Parent Company's financial reporting and keeping itself informed of the audit of the annual accounts and consolidated accounts.

The Risk Committee is composed of Mats Holmfeldt (Chair), Göran Starkebo and Niclas Lundin. The Risk Committee is responsible for monitoring the effectiveness of the Company's internal control and risk management, as well as other tasks.

No specific remuneration committee has been set up; instead, issues related to remuneration principles are considered by the Board as a whole.

NOMINATION COMMITTEE

The task of the Nomination Committee is to prepare the AGM's decisions on election and remuneration issues. According to the instructions adopted at the Annual General Meeting of Soltech Energy Sweden AB on 12 May 2022, the Nomination Committee shall be appointed by the Chairman contacting the three strongest owners in terms of votes, who are each entitled to appoint a representative in the Nomination Committee. No fee is paid to members of the Nomination Committee.

CEO AND OTHER SENIOR EXECUTIVES

The Parent Company's CEO manages the day-to-day administration in accordance with the Board's guidelines and instructions. The CEO's work and role and the division of labour between the Board of Directors and the CEO are set out in written CEO instructions adopted by the Board of Directors. The Parent Company's CEO is Stefan Ölander. As the CEO is also a member of the Board of Directors, the CEO does not participate in matters that may be considered disqualifying, including remuneration issues. A more detailed presentation of the CEO and other senior executives can be found on the website:

» www.soltechenergy.com/en/about-us/management/

GUIDELINES FOR DETERMINING REMUNERATION TO SENIOR EXECUTIVES

The basic principles for remuneration and other terms of employment are that remuneration and terms should be market-based and competitive to ensure that the Group can attract and retain competent employees. No specific guidelines for remuneration levels have been established.

LONG-TERM INCENTIVE SCHEMES AND OPTIONS

There are currently no outstanding stock option programmes or other long-term incentive schemes. Decisions on incentive schemes are normally taken at the Annual General Meeting and, in such cases, proposals for schemes are included in the notice convening the meeting.

FINANCIAL REPORTING AND AUDITING

The Board is responsible for the Parent Company's organisation and the management of the Company's business. The rules of procedure established by the Board (see above) contain instructions for internal financial reporting and instructions for publishing interim reports, year-end reports and annual reports on the Company's website:

» www.soltechenergy.com/en/investors/financial-reports-calendar/

The Parent Company is required to have at least one auditor to review the Parent Company's and the Group's annual report and accounts and Board of Directors' and CEO's administration. The audit shall be as thorough and comprehensive as required by good accounting practice. The Parent Company's auditor is elected by the AGM in accordance with the Swedish Companies Act. An auditor in a Swedish limited liability company is therefore mandated by the General meeting and may not be guided in his or her work by the Board of Directors or any senior executives. The Parent Company's current auditor is Öhrlings Price Waterhouse Coopers AB with Claes Sjödin as the auditor in charge.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board's responsibility for internal control is governed by the Swedish Companies Act and the Swedish Annual Accounts Act. Among other things, the Board shall ensure that Soltech has good internal control and formalised procedures that ensure compliance with established principles for financial reporting and internal control and that there are appropriate systems for monitoring and controlling the Parent Company's operations and the risks to which the Parent Company and its operations are associated. The main purpose of internal control is to provide reasonable assurance that Soltech's operational strategies and objectives are followed and that the owners' investment is protected. Internal control should also ensure that the external financial reporting is reliable with reasonable assurance and prepared in accordance with generally accepted accounting principles, that applicable laws and regulations are complied with and that requirements for listed companies are met. In order to create and maintain an effective control environment, the Board has adopted a number of policies and governance documents that regulate financial reporting. These consist mainly of the Board's rules of procedure, instructions for the CEO and instructions for committees established by the Board. The Board has also adopted a specific authorisation scheme and a financial policy.

Business operations are organised in the form of subsidiaries, where the Board of Directors usually consists of one or more representatives from the Parent Company and one or more from the previous owners and a locally employed CEO. This organisation is responsible for managing local operations according to guidelines and instructions provided at group level. The subsidiaries also have their own administration that handles day-to-day accounting and financial reporting. The subsidiaries have a designated contact person at the Parent Company who acts as a sounding board and controller and who receives reports, which are reviewed together with the Parent Company's CFO, who in turn reports to the CEO and the Board of Directors.

Standardised accounting and reporting procedures are applied by all entities within the Group. The subsidiaries' financial and operational development is continuously monitored through monthly reporting that focuses primarily on sales, organic growth, profit development, order status and financial situation, but also includes the status of individual projects. An important part is also the monitoring of the annual budget that each unit has to present for a new financial year. Risk assessment is carried out on an ongoing basis and according to established guidelines with a focus on individual projects. For the Parent Company, the Risk Committee is primarily responsible for continuously evaluating the Parent Company's risk situation, after which the Board of Directors conducts an annual review of the risk situation.

In addition to internal monitoring and reporting, an annual external audit, including an internal control audit, is carried out and reported to the Board of Directors. The auditors' reports provide the Board with a good understanding and a reliable basis for the financial reporting in the annual report.

INFORMATION AND COMMUNICATION

The Parent Company has information and communication channels aimed at promoting the accuracy of the financial reporting and enabling reporting and feedback from operations to the Board of Directors and the management team, primarily through guidelines and instructions regarding financial reporting. Financial reporting is done according to predefined reporting templates. The Parent Company's financial reporting follows the laws and regulations that apply in Sweden and the local regulations in the countries in which the Group operates. The Parent Company's information to shareholders and the financial market is provided via the annual report and via interim reports and press releases.

POLICIES AND GUIDELINES

The Parent Company has an established information policy that is available on the Company's website. The Company's communication and information policy is designed to ensure that the Company maintains a high standard in these respects. The policy concerns all Company employees and can be summarised as follows: The Company's communication should be accurate and clear. It should be easy to find and obtain information for internal employees, external stakeholders and other interested parties. The Company shall be committed to providing qualitative information, which should never be ambiguous or misleading. Incorrect information should never be communicated. Difficulties and problems should be properly highlighted together with the measures taken to resolve them.

PRIVACY AND GDPR

The policy aims to secure the processing of personal data necessary to conduct the Company's business. Storage may occur periodically, e.g. during a recruitment process. Once the personal data is no longer necessary to fulfil the processing, or the processing would otherwise no longer be allowed, the data is anonymised or deleted.

CODE OF CONDUCT

Conducting Soltech's operations responsibly is crucial to the Group's long-term success. Through the Company's operations with sustainable turnkey solutions in solar energy, Soltech has a great responsibility towards employees, shareholders and other stakeholders, as well as the society in which the Company operates. At the same time as creating added value for customers, employees, suppliers and shareholders, Soltech wants to contribute to sustainable social development. Soltech is committed to good business ethics and strives for long-term and trusting relationships. This is done by setting ethical standards for business operations and acting in an economically, environmentally and socially responsible manner. The Company's Code of Conduct makes it clear that the Company's behavioural requirements are both legal and ethical. The Code of Conduct is based on the ten principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The headings in the Code of Conduct are based on the four areas covered by the UN Global Compact (human rights, labour, environment and anti-corruption). As a member of the Swedish trade association Svensk Solenergi, Soltech has also undertaken to follow a common code of conduct. Soltech's Code of Conduct is consistent with this and further specifies how the Company acts as well as how reporting of e.g. suspected irregularities can be performed. The Code of Conduct

describes the principles governing behaviour and the requirements imposed on employees and business partners. Soltech's Code of Conduct applies to all employees in the Group, in all companies and in all countries where Soltech operates, and regulates how employees should behave towards each other as well as towards customers, suppliers, partners and other players that employees meet in their daily activities. To ensure anonymity in case of suspected irregularities within the Group, there is a whistleblower function that can be accessed via the Company's website.

Directors' report

The Board of Directors and the CEO of Soltech Energy Sweden AB (publ) with corporate identity number 556709-9436 hereby submit the annual report and consolidated accounts for the 2022 financial year. Figures for the previous year are given in brackets, 2022 (2021). All amounts are reported in SEK thousands unless otherwise indicated.

REVENUE AND PROFIT/LOSS

Through several acquisitions and organic growth, the Group's revenue has increased to SEK 2,001.5 (1,239.8) million, an increase of 61%. Nine acquisitions took place, which contributed a total of SEK 561 million in sales. Adjusted for one-off effects related to the separate listing of ASAB in 2021 and the deconsolidation of Neabgruppen in 2022, total Group revenue increased to SEK 1,915.6 (792.5) million, an increase of 142%. The growth was driven partly by the aforementioned acquisitions but also by strong organic growth. Organic growth for the year amounted to 57% (29%), which was strongly driven by increased demand for solar energy solutions.

Operating profit/loss (EBIT) for the Group amounted to SEK -246.3 (150.7) million and SEK -30.3 (-38.9) million for the Parent Company, and adjusted operating profit for the Group amounted to SEK -121.1 (-131.4) million. Items that make comparability difficult that affected both this year and the previous year were the separate listing and deconsolidation of Soltech Energy Sweden AB's former subsidiary ASAB and the deconsolidation of Neabgruppen. During the year, Neabgruppen reported a loss of SEK -60.6 million, which was dampened by a deconsolidation effect of SEK 49.4 million. ASAB's effect during the year amounted to SEK -114.1 million, of which SEK -100.7 million derives from the impairment of shares in associated companies at market value. Tax and deferred tax have affected the profit/loss by SEK -12.2 (-8.5) million, and the loss after tax for the year amounted to SEK -269.9 (77.6) million, which corresponds to earnings per share of SEK -2.03 (0.86).

OPERATIONS

Soltech provides design, installation, service and sales of products and solutions within solar energy, charging and storage solutions as well as roof, sheet metal, electrical engineering and facade constructions. The Group has a presence in several locations in Sweden and has expanded to the Netherlands and Spain during the year through two acquisitions. 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.

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. 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, Soltech is helping property owners to both produce their own green electricity and make optimal use of it. Our aim is therefore to grow 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.

Soltech is a member of trade association Svensk Solenergi, and actively participates in its work on the industry's quality and sustainability issues. This work has intensified as the climate issue has climbed even higher on the agenda and in the wake of the emerging energy crisis.

The Parent Company is domiciled in Stockholm and Soltech's share has been listed on Nasdaq First North Growth Market Stockholm since 25 June 2015, and is traded under the ticket SOLT.

KEY EVENTS DURING THE YEAR

THE YEAR IN BRIEF – ACQUISITIONS, MERGERS, DIVESTMENTS

Soltech continued its acquisition journey in 2022 and a total of nine acquisitions were made, which together contributed an annual turnover of SEK 561 million. In addition, there were purchases of minority shares and a number of add-on acquisitions where existing subsidiaries have acquired companies. The following transactions have taken place: January – March: Acquisition of 70% of the shares in Falu Plåtslageri AB and Tak och Bygg i Falun AB, acquisition of the remaining 30% of the shares in Fasadsystem i Stenkullen AB, acquisition of the remaining 40% of the shares in Din Takläggare i Värmland-Dalsland AB. Add-on acquisition of 100% of Solexperterna i Värmland AB, which became a subsidiary of Din Takläggare i Värmland-Dalsland AB. April – June: Acquisition of 53.3% of the shares of 365 Energie Holding B.V., domiciled in Eindhoven, the Netherlands. Add-on acquisition of 100% of the shares in Trönninge Elektriska AB through Provektor Sweden AB. Acquisition of 65% of the shares of Sud Energies Renovales SL, domiciled in Spain. July – September: Acquisition of 100% of the shares in TG:s El i Finspång AB with the wholly owned company Smart Solkraft AB. Acquisition of 80% of the shares in Kalema E-Mobility AB. Acquisition of 100% of the shares in Takab i Jönköping AB. October – December: In October, Neabgruppen was deconsolidated due to its closure. At the time of the acquisition, Neabgruppen was a clear turn-around case that Soltech worked actively to reverse. The assessment was that there was a lack of provisions to continue running the business. Decision on the acquisition of a minority share and decision on the merger between Takrekond i Småland AB and Takrekond i Kalmar AB. Decision on the merger between Falu Plåtslageri AB and Tak och Bygg i Falun AB. Decision to liquidate Skedala Förvaltning AB, a dormant company. Creation of Soltech Business Support 3.0 AB.

THE YEAR IN BRIEF – OTHER

Soltech's operations are organised into four business areas: solar, roofing, facade and electrical engineering. The Parent Company's operations are conducted from its headquarters in Stockholm. The Parent Company's activities include support functions in finance, HR, marketing and communication, IT, sustainability and investor relations and acquisitions.

Mats Holmfeldt was appointed as the new Chairman of the Board at the Annual General Meeting in May 2022.

During the year, Soltech Business Support was formed to provide support services within the Group aimed at strengthening, enabling and making it easier for companies outside the traditional solar energy sector to incorporate solar energy services into their operations in an efficient and high-quality manner.

In autumn 2022, a new share issue of approximately SEK 228 million was completed with the support of the authorisation of the general meeting with preferential rights for existing shareholders and possible over-allocation. The preferential rights issue was oversubscribed and the Company received approximately SEK 270 million before issue costs.

The Company's operations outside Sweden are conducted in the Netherlands and Spain. These units are part of the solar business area and are organised as separate companies with their own profit and reporting responsibilities to the Parent Company in Sweden.

CASH FLOW AND FINANCIAL POSITION

Equity at the end of the period was SEK 1,127.2 (938.5) million and the equity ratio was 48% (63%). At 31 December 2022, the Group's available cash and cash equivalents amounted to SEK 275.3 (336.1) million and the available overdraft facility of SEK 51.6 (38.2) million. Interest-bearing liabilities totalled SEK 149.5 (133.7) million. Cash flow from operating activities for the period amounted to SEK -191.3 (-105.2) million. Total cash flow amounted to SEK -60.8 (113.6) million and was affected by cash received from new share issues, investments and acquisitions of subsidiaries, among other things.

PERSONNEL

Personnel expenses in 2022 amounted to SEK -498.5 (-300.8) 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 in existing operations.

PARENT COMPANY

Soltech Energy Sweden AB (publ) is the Parent Company of the Soltech Group. The Parent Company is purely a holding company focusing on the acquisition, management and development of the Group's various operating companies. The parent company's revenue for year amounted to SEK 36.4 (16.1) million. The parent company's earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK -30.2 (-38.9) million and EBIT amounted to SEK -30.3 (-38.9) million. The Parent Company's equity ratio as of the reporting date amounted to 74% (80%).

SHARE CAPITAL AND SHAREHOLDERS

At the end of the period, the Company's share capital amounted to SEK 6,482,450 divided into a total of 129,648,994 shares with a quotient value of SEK 0.05. All shares are of the same class with equal voting rights and the same share in the Company's capital and profits. No own shares were acquired or disposed of during the period. Soltech's share has been listed on Nasdaq First North Growth Market Stockholm since 25 June 2015. The stock is traded under the ticker SOLT. During the year, the share was quoted at a high of SEK 25.10 and a low of SEK 9.22. At the end of 2022, the Company had around 78,000 shareholders. During the year, the Company carried out a cash issue that raised approximately SEK 240 million after issue costs and seven offset issues where new shares were issued as payment for acquisitions. In total, the share capital increased by SEK 1,753,400 during the year and the number of shares increased by 35,067,994.

More information on the share can be found on:

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MULTI-YEAR REVIEW (SEK 000s)

GROUP	2022	2021	2020	2019	2018
Net sales	1 931 412	912 697	434 140	264 034	53 731
Operating profit/loss (EBIT)	-246 285	150 715	42 813	24 846	5 244
Profit/loss for the period	-269 851	77 591	-140 976	-45 788	-15 453
Equity ratio (%)	48	63	31	24	33
Equity	1 127 231	938 516	539 132	333 735	235 739
Earnings per share (SEK)	-2,03	0,86	-1,31	-0,73	-0,36

PARENT COMPANY	2022	2021	2020	2019	2018
Net sales	36 316	15 791	7 852	16 968	11 301
Operating profit/loss (EBIT)	-30 292	-38 917	-23 106	-18 567	-16 499
Profit/loss for the period	-153 196	-133 794	-25 330	-13 025	-16 265
Equity ratio (%)	74	80	86	89	97
Equity	1 110 021	815 981	404 621	242 362	141 786

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

During the first quarter, Soltech completed four add-on acquisitions:

- Vårgårda Solenergi AB, via Takbyrån i Alingsås
- Plåtteamet i Örnsköldsvik, via Wettergrens Tak och Plåtslageri
- Arvika Elinstallationer AB, via Din Takläggare
- Din Elkontakt i Kungälv AB, via Takorama

EXPECTED FUTURE DEVELOPMENTS

The solar energy market is growing rapidly, and more and more companies, property owners, public sector entities and individuals are investing in solar energy. High energy prices are having a positive impact on the market while being countered by rising interest rates.

Soltech is a turnkey supplier of all types of solar energy plants and technical energy solutions, and it is also a force in construction-integrated solutions for roofs and facades. A construction-integrated solution replaces and supplements existing construction materials. In an expansive industry such as solar energy, changes such as acquisitions, mergers and bankruptcies take place all the time when the market is growing. At the same time, the competition for key skills also intensifies. Soltech is active in the market and can act quickly to take advantage of the skills and business opportunities that arise by utilising its financial clout and abbreviated decision-making paths. The future prospects for expansion are still deemed to be very favourable.

REGULATORY CHANGES

Starting from 1 January 2022, the exemptions in the Swedish Electricity Act for network concessions were extended. As a result of this, it is easier for buildings in local networks to share electricity. This means that you can share electricity with buildings on your own property or with others nearby. Microproducers are allowed to make joint solar cell solutions/investments where they can share electricity supply networks and they thereby have the opportunity to optimise the use and share the investment.

The political interest in and the general support for solar energy continue to grow. The EU Commission has proposed more funds than ever for green investments. On 18 May 2022, the EU Commission presented its REPowerEU plan, with suggestions for measures to phase out the EU's dependence on energy imports from Russia. The Commission also proposed that the goal for the proportion of renewable energy in the EU until 2030 be raised from the Commission's current proposal of 40 per cent to 45 per cent, and it also proposed requirements for the installation of solar energy plants for certain buildings. Parts of the REPowerEU plan will likely be negotiated during Sweden's presidency of the Council of the EU between 1 January and 30 June 2023.

RISKS AND UNCERTAINTIES

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. External factors such as pandemics and wars and their consequences are examples of these external factors. Through annual risk assessments and a specially appointed risk committee, the Company continuously evaluates the risks inherent to its operations and assesses the extent to which these can be combined with business opportunities and results while meeting the requirements of shareholders and other stakeholders for stability and long-term value development.

The risk factors judged to be most significant at present are changes in the economic situation, inflation, interest rates and future financing.

The risk factors that are considered to have a significant impact on the future prospects of the Soltech Group (the 'Company') are described 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 is also dependent on functioning supply chains and distribution channels. Soltech makes no sales to Russia or Ukraine.

SUPPLY AND INDUSTRY RISKS

The Company is dependent on deliveries 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.

ACQUISITION AND MERGER RISKS

The Company's rapid expansion involving the acquisition of numerous smaller companies could lead to disruptions due to a lack of coherence in the development of the companies. Unforeseen events may require resources that strain or divert resources from other, planned interventions. Differences in corporate cultures, leadership and organisation could lead to integration and cooperation problems. There is a risk that current subsidiaries or future acquisitions and collaborations do not generate the expected margins or cash flow and that the benefits expected from the acquisitions, including growth or expected synergies, are not realised.

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.

DEPENDENCE ON KEY PEOPLE

The Company is dependent on key people and key employees. If the Company loses these individuals or finds it difficult to attract equally qualified employees, this could affect its operations and ability to execute current and future plans. The continued ability to attract and retain qualified staff is crucial to the Company's success. This in turn depends on factors such as the Company's business development, ability to create stimulating tasks, workload, incentive programmes and competition for experienced employees. If one or more individuals were to leave or otherwise terminate their relationship with the Company, or if any of these key individuals significantly change or reduce their roles within the Company, there is a risk that the Company may not be able to find qualified replacements or services that can contribute correspondingly to the Company's operations in a timely manner. This may delay and/or complicate the continued growth of the Company.

RISKS RELATED TO THE FINANCIAL SITUATION

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.

CONTRACTUAL PURCHASE PRICES

Soltech's acquisition strategy means that a significant part of the purchase price is paid later and is related to the fulfilment of various goals in the acquired company. The Board makes ongoing assessments of the expected outcome of these payments and changes may be recognised in both the income statement and the balance sheet. These calculations may, however, turn out to be inadequate, leading to larger than expected payments, which then affects the Company's liquidity.

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.

This means that future financing could take place in a market situation that is significantly different from the current situation. If the situation were to deteriorate, the resulting conditions could be less favourable than what the Board considers to be the current situation. Any external financing in such a situation could have an impact on the Company's operations or on the rights of shareholders and, if shares or other securities are issued, could result in shareholders being more diluted compared to a more favourable market. Debt financing in such a significantly less favourable market may be subject to conditions that could limit the Company's flexibility. It is also uncertain whether funding at such a time could be secured at all or on terms acceptable to the Company.

The Board of Directors and the CEO continuously assess Soltech's liquidity and financial resources in the short and long term. The annual report has been prepared on the assumption that the Company has the ability to continue operations in 2023, in line with the going concern principle in the Swedish Annual Accounts Act 2:4. The basis for this assumption is that Soltech has a liquidity position that allows the Company to continue its operations and consequently prepare the financial statements in accordance with the going concern assumption. Available cash and cash equivalents at the end of the period in the Parent Company amount to SEK 179.2 (288.4) million and several measures have been initiated to improve cash flow and strengthen profitability during the last financial year, which had an impact in Q4 2022.

If necessary, Soltech has the potential to significantly strengthen liquidity at short notice by, for example, utilising the possibility of tax deferral, which has not yet been utilised in the Group. Additional measures to strengthen liquidity or to reduce a potential negative cash flow can be implemented if needed. The Board and CEO's assessment is therefore that Soltech is assessed to have sufficient liquidity and cash flow for continued operation of the business in 2023.

DIVIDEND

The Board of Directors proposes no dividend for the financial year 2022.

APPROPRIATION OF PROFITS

AMOUNT IN SEK

The following amounts are available for the Annual General Meeting:

Profit/loss brought forward	-282 002 670
Share premium reserve	1 538 737 175
Profit/loss for the year	-153 195 800
	1 103 538 705
The Board of Directors proposes that the following be carried forward	1 103 538 705

Financial statements

DEVELOPMENT OF THE GROUP'S EQUITY 2022

Amount in SEK thousands	Share capital	Other contributed equity	Translation reserve	Profit/loss brought forward, incl. profit/loss for the year	TOTAL	Holdings with non-controlling influence	Total equity
At beginning of year, 01/01/2022	4,729	888,736	8,853	1,313	903,631	34,885	938,516
Profit/loss for the year				-263,024	-263,024	-6,827	-269,851
Transactions with minorities		-4,995			-4,995	-24,856	-29,851
Other changes		-1,812			-1,812	-303	-2,115
Translation differences			35,199		35,199		35,199
New share issue	1,753	474,955			476,708		476,708
New issue costs		-29,472			-29,472		-29,472
Invested capital minority					-	8,097	8,097
At year-end, 31/12/2022	6,482	1,327,412	44,052	-261,711	1,116,235	10,996	1,127,231

2021

Amount in SEK thousands	Share capital	Other contributed equity	Translation reserve	Profit/loss brought forward, incl. profit/loss for the year	TOTAL	Holdings with non-controlling influence	Total equity
At beginning of year, 01/01/2021	3,476	339,171	-19,716	-80,396	242,535	296,597	539,132
Profit/loss for the year				81,709	81,709	-4,119	77,590
Transactions with minorities		1,015			1,015	-30,602	-29,587
Dividend					-	-1,636	-1,636
Other changes		-113			-113		-113
Translation differences			8,853		8,853		8,853
Separate listing Advanced Soltech		9,976	19,716		29,692	-296,376	-266,684
New share issue	1,253	545,882	-	-	547,135	71,021	618,156
Issue costs		-8,061			-8,061		-8,061
Ongoing new issue		866			866		866
At year-end, 31/12/2021	4,729	888,736	8,853	1,313	903,631	34,885	938,516

CONSOLIDATED INCOME STATEMENT 2022

Amount in SEK thousands	Note	2022	2021
Net sales	3	1,931,412	912,697
Other operating income	3	70,089	327,132
Total income		2,001,501	1,239,829
Operating expenses			
Raw materials, consumables and goods for resale		-1,334,288	-492,156
Other external expenses	4, 5	-203,182	-118,592
Employee benefit costs	6	-498,482	-300,835
Depreciation, amortisation and impairment of tangible and intangible fixed assets	7	-97,735	-166,862
Profit from participations in associated companies	8	-114,099	1,785
Other operating costs		-	-12,454
Operating profit/loss		-246,285	150,715
Profit/loss from financial investments			
Interest income and similar profit/loss items	10	4,834	52,500
Interest expenses and similar profit/loss items	11	-16,245	-117,166
Profit/loss after financial items		-257,696	86,049
Tax on profit for the year	13	-12,155	-8,459
Profit/loss for the period		-269,851	77,590
Attributable to shareholders in the Parent Company		-263,024	81,710
Minority interest		-6,827	-4,119

CONSOLIDATED BALANCE SHEET
2022

Amount in SEK thousands	Note	31/12/2022	31/12/2021
Assets	1, 2		
Non-current assets			
Intangible assets			
Patents, capitalised expenditure for development work	14	1,129	933
Goodwill	15	934,955	377,185
Other intangible assets	16	40	-
<i>Total intangible assets</i>		936,124	378,118
Property, plant and equipment			
Buildings and land	17	53,156	32,196
Equipment, tools, fixtures and fittings	18	67,596	50,250
Construction in progress and advance payments for property, plant and equipment	19	9,709	-
<i>Total property, plant and equipment</i>		130,461	82,446
Financial assets			
Shares in associated companies	21	213,148	317,735
Other securities held as non-current assets	22	555	100
Receivables from associated companies		28,377	-
Deferred tax asset	23	146	-
Other long-term receivables	24	4,641	11,900
<i>Total financial assets</i>		246,867	329,735
Total non-current assets		1,313,452	790,299
Current assets			
Inventories etc.			
Finished products and goods for resale		210,432	95,011
Advance payments to suppliers		30,334	7,618
<i>Total inventories</i>		240,766	102,629
Current receivables			
Accounts receivable		316,754	143,667
Receivables from associated companies		-	26,079
Accrued, not invoiced income	25	107,773	56,941
Tax assets		9,212	2,379
Other receivables		29,665	8,729
Prepaid expenses and accrued income	26	38,620	18,452
<i>Total current receivables</i>		502,024	256,247
Short-term investments			
Other short-term investments		53	-
<i>Total short-term investments</i>		53	0
Cash and bank balances			
Cash and bank balances	27	275,298	336,127
<i>Total cash and bank balances</i>		275,298	336,127
Total current assets		1,018,141	695,003
Total assets		2,331,593	1,485,302

CONSOLIDATED BALANCE SHEET *continued*
2022

Amount in SEK thousands	Note	31/12/2022	31/12/2021
Equity and liabilities			
Equity	28, 29		
Share capital		6,482	4,729
Other contributed equity		1,323,175	888,736
Other equity including profit/loss for the period		-202,426	45,051
<i>Equity attributable to:</i>			
<i>Parent Company's shareholders</i>		1,116,235	903,551
<i>Minority interest:</i>		10,996	34,965
<i>Total equity</i>		1,127,231	938,516
Provisions			
Deferred tax liability	23	10,718	9,924
Other provisions	30	231,163	143,968
Total provisions		241,881	153,892
Non-current liabilities	31		
Liabilities to credit institutions		45,976	44,610
Other liabilities		223,821	26,197
Total non-current liabilities		269,797	70,807
Current liabilities			
Advances from customers		-	112
Overdraft facilities	32	26,721	16,215
Deferred unrealised income	33	81,471	32,051
Accounts payable		214,856	82,430
Current liabilities to credit institutions		76,833	22,359
Current tax liabilities		7,363	7,102
Other liabilities	30	194,770	94,218
Accrued expenses and deferred income	34	90,670	67,600
Total current liabilities		692,684	322,087
Total equity and liabilities		2,331,593	1,485,302

CONSOLIDATED CASH FLOW STATEMENT 2022

Amount in SEK thousands	Note	2022	2021
Operating activities			
Operating profit/loss		-246,285	150,715
Non-cash flow items	36	211,560	-115,167
Interest received		4,448	1,462
Interest paid		-14,471	-110,824
Income tax paid		-18,962	-9,583
<i>Cash flow from operating activities before changes in working capital</i>		-63,710	-83,397
Cash flow from changes in working capital			
Increase/decrease in inventories etc.		-76,169	-56,852
Increase/decrease in operating receivables		-147,746	-123,164
Increase/decrease in operating liabilities		96,280	158,185
Cash flow from operating activities		-191,345	-105,228
Investing activities			
Intangible assets		-541	-778
Property, plant and equipment		-27,904	-176,346
Acquired subsidiaries		-138,410	-48,910
Divested subsidiaries		-	-29,686
Acquired associated companies		-	-11,041
Financial assets		11,346	6,977
Cash flow from investing activities		-155,509	-259,784
Financing activities			
New share issue		268,706	467,252
Issue costs		-29,472	-8,061
Borrowings		51,036	64,456
Repaid loans		-3,347	-43,360
Dividend		-898	-1,636
Cash flow from financing activities		286,025	478,651
Cash flow for the year		-60,829	113,639
Increase/decrease in liquid assets			
Cash and cash equivalents at the start of the year		336,127	222,488
Cash and cash equivalents at the end of the year		275,298	336,127

DEVELOPMENT OF THE PARENT COMPANY'S EQUITY 2022

Amount in SEK thousands	Share capital	Profit/loss brought forward	Share premium reserve	Profit/loss for the year	TOTAL EQUITY
At beginning of year, 01/01/2022	4,729	-148,209	1,093,255	-133,794	815,981
Appropriation of profits		-133,794		133,794	0
New share issue	1,753		474,955		476,708
Issue costs			-29,472		-29,472
Ongoing new issue					0
Profit/loss for the period				-153,196	-153,196
At year-end, 31/12/2022	6,482	-282,003	1,538,738	-153,196	1,110,021

2021

Amount in SEK thousands	Share capital	Profit/loss brought forward	Share premium reserve	Profit/loss for the year	TOTAL EQUITY
At beginning of year, 01/01/2021	3,476	-122,879	549,353	-25,330	404,620
Appropriation of profits		-25,330		25,330	0
New share issue	1,253		545,882		547,135
Issue costs			-2,846		-2,846
Ongoing new issue			866		866
Profit/loss for the period				-133,794	-133,794
At year-end, 31/12/2021	4,729	-148,210	1,093,255	-133,794	815,981

PARENT COMPANY'S INCOME STATEMENT 2022

Amount in SEK thousands	Note	2022	2021
Net sales	3	36,316	15,799
Other operating income	3	130	307
Total income		36,446	16,106
Operating expenses			
Raw materials, consumables and goods for resale		-	-895
Other external expenses	4.5	-40,406	-34,309
Employee benefit costs	6	-26,221	-19,807
Depreciation/amortisation	7	-111	-12
Operating profit/loss		-30,292	-38,917
Profit/loss from financial investments			
Profit/loss from participations in subsidiaries	9	-83,536	-58,585
Interest income and similar profit/loss items	10	6,134	2,383
Interest expenses and similar profit/loss items	11	-8,310	-6,288
Profit/loss after financial items		-116,004	-101,407
Appropriations			
Group contributions	12	-37,192	-32,387
Tax on profit for the year	13	0	0
Profit/loss for the period		-153,196	-133,794

PARENT COMPANY'S BALANCE SHEET 2022

Amount in SEK thousands	Note	31/12/2022	31/12/2021
Assets	1, 2		
Intangible assets			
Capitalised expenditure for development work	14	0	0
<i>Total intangible assets</i>		0	0
Property, plant and equipment			
Machinery and equipment	18	677	21
<i>Total property, plant and equipment</i>		677	21
Financial assets			
Participations in Group companies	20	1,044,231	502,905
Shares in associated companies	21	123,125	123,125
Receivables from Group companies		79,861	45,092
Receivables, associated companies		28,377	-
Other long-term receivables	24	459	11,500
<i>Total financial assets</i>		1,276,053	682,622
Total non-current assets		1,276,730	682,643
Current assets			
Current receivables			
Accounts receivable		-	448
Receivables from Group companies		40,560	16,971
Receivables, associated companies		-	26,079
Other receivables		2,763	395
Prepaid expenses and accrued income	26	5,817	3,980
<i>Total current receivables</i>		49,140	47,873
Cash and bank balances			
Cash and bank balances	27	179,243	288,369
<i>Total cash and bank balances</i>		179,243	288,369
Total current assets		228,383	336,242
Total assets		1,505,113	1,018,885

PARENT COMPANY'S BALANCE SHEET *continued*
2022

Amount in SEK thousands	Note	31/12/2022	31/12/2021
Equity and liabilities			
<i>Restricted equity</i>			
Share capital	28, 29	6,482	4,729
Total restricted equity, Parent Company		6,482	4,729
<i>Non-restricted equity</i>			
Profit/loss brought forward		-282,003	-148,209
Share premium reserve		1,538,738	1,093,255
Profit/loss for the period		-153,196	-133,794
Total non-restricted equity		1,103,539	811,252
Total equity		1,110,021	815,981
Provisions			
Other provisions	30	223,374	140,206
Total provisions		223,374	140,206
Non-current liabilities			
Liabilities to group companies		-	15,051
Total non-current liabilities		0	15,051
Current liabilities			
Accounts payable		4,664	3,893
Liabilities to Group companies		62,081	1,359
Current tax liabilities		557	230
Other liabilities	30	97,962	36,202
Accrued expenses and deferred income	34	6,454	5,963
Total current liabilities		171,718	47,647
Total equity and liabilities		1,505,113	1,018,885

PARENT COMPANY'S CASH FLOW STATEMENT
2022

Amount in SEK thousands	Note	2022	2021
Operating activities			
Operating profit/loss		-30,292	-38,917
Non-cash flow items	36	-1,104	-458
Received interest and dividends		6,790	4,116
Interest paid		-3,413	-24
Income tax paid			
Cash flow from operating activities before changes in working capital		-28,019	-35,283
Cash flow from changes in working capital			
Increase/decrease in operating receivables		-32,221	-9,955
Increase/decrease in operating liabilities		70,589	3,805
Cash flow from operating activities		10,349	-41,433
Investing activities			
Property, plant and equipment		-766	-
Acquired shares in subsidiaries		-287,790	-69,419
Financial assets		-70,153	-107,804
Cash flow from investing activities		-358,709	-177,223
Financing activities			
New share issue		268,706	397,223
Issue costs		-29,472	-2,846
Cash flow from financing activities		239,234	394,377
Cash flow for the year		-109,126	175,721
Increase/decrease in liquid assets			
Cash and cash equivalents at the start of the year		288,369	112,648
Cash and cash equivalents at the end of the year		179,243	288,369

Notes

Note 1. Accounting & valuation principles

GENERAL ACCOUNTING PRINCIPLES

The annual report and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general advice BF-NAR 2012:1 Annual report and consolidated financial statements ("K3"). The accounting principles are unchanged compared with the previous year.

All amounts in the financial statements are reported in SEK thousands unless otherwise indicated. Rounding errors may occur. The Parent Company's reporting currency is the Swedish krona, which is also the Group's reporting currency.

Assets are divided into current assets and non-current assets. An asset is considered current if it is expected to be realised within 12 months of the balance sheet date or within the entity's business cycle. A business cycle is the time from the start of production until the Company receives payment for services or goods delivered. The Group's business cycle is estimated to be less than one year. If an asset does not qualify as a current asset, it is classified as a non-current asset.

Receivables and liabilities have not been offset.

Liabilities are broken down into current liabilities and non-current liabilities. Liabilities that are payable within 12 months of the balance sheet date are recognised as current liabilities. Everything else is considered a non-current liability.

CONSOLIDATED ACCOUNTS

The consolidated accounts include the Parent Company Soltech Energy Sweden AB and the companies over which the Parent Company has a direct or indirect controlling influence. A controlling influence is the right to shape the financial and operational strategies of another company in order to obtain economic benefits. In assessing whether a controlling influence exists, consideration shall be given to holdings of financial instruments that are potentially entitled to vote and that can be exercised or converted into voting equity instruments without delay. Consideration should also be given to whether the Company is able to control operations through an agent. A controlling influence normally arises when the Parent Company directly or indirectly holds shares representing more than 50% of the votes. See Note 2 for information on the subsidiaries included in the consolidated financial statements. Information on group companies can be found in the note on financial assets.

A subsidiary's income and costs are included in the consolidated financial statements from the date of acquisition of the controlling influence until the date when the Parent Company ceases to have a controlling influence over the subsidiary.

The subsidiaries' accounting policies are consistent with the Group's accounting policies. All intra-group transactions, balances and unrealised gains and losses arising from intra-group transactions have been eliminated in preparing the consolidated financial statements.

The Group's results and equity components are attributable to the owners of the Parent Company and minority interests. Minority interests are recognised separately under equity in the consolidated balance sheet and directly in the profit and loss account in the consoli-

dated profit and loss account. If the consolidated equity of the subsidiary is negative, the minority interest in the subsidiary is recognised as a receivable from the minority – a negative item under equity – only if the minority has a binding obligation to cover the capital shortfall and is able to fulfil the obligation.

BUSINESS COMBINATIONS

Business combinations are recognised using the acquisition method. The purchase price of the business combination is measured at fair value on the acquisition date, which is calculated as the aggregate of the fair values of assets given, liabilities incurred or assumed, equity instruments issued and expenses directly attributable to the business combination on the acquisition date. An example of expenditure is transaction costs. The purchase price includes contingent consideration, assuming that at the time of acquisition it is probable that the purchase price will be adjusted at a later date and that the amount can be reliably estimated. The cost of the acquired entity is adjusted on the balance sheet date and when the final purchase price is determined, but no later than one year after the acquisition date.

The consolidated financial statements are prepared using the acquisition method. The acquisition date is the date on which the controlling interest is obtained. Identifiable assets and liabilities are initially measured at fair value at the time of acquisition. Goodwill represents the difference between the identifiable net assets acquired at the time of acquisition and the cost of acquisition including the value of the minority interest and is initially measured at cost. In the case of the acquisition of fewer than all of the shares of the acquired entity, the value of the minority interest is added to the cost. At the time of acquisition, goodwill is recognised at cost and after initial recognition it is measured at cost less amortisation and any impairment losses. Goodwill is amortised over its expected useful life, which is 10 years. The useful life of 10 years has been assessed based on Soltech's long-term strategy of acquiring and transforming traditional companies into a new context. The solar energy industry is growing strongly but is emerging from low levels. Valuation of companies and capitalisation of synergies and their full potential is estimated to be within a 10-year period.

At each balance sheet date, the entity assesses whether there is any indication that the value of goodwill is less than its carrying amount. If there is any such indication, the entity calculates the recoverable amount of goodwill and performs an impairment test. Other intangible assets relate to acquired customer contacts. These intangible assets are amortised according to the remaining term of the underlying contracts.

FOREIGN CURRENCIES

Receivables and liabilities in foreign currency are translated into Swedish kronor at the exchange rate prevailing on the balance sheet date. Revenue and expenses in a foreign operation are translated into Swedish kronor at an exchange rate that approximates the rates prevailing at the time of each transaction. Exchange differences arising from the translation of foreign operations are recognised in equity. Gains and losses on assets and liabilities relating to operations are reported net under Other operating income or Other operating costs. Currency hedging has not been used.

REVENUES

GOODS AND SALE OF SOLAR ENERGY

The sale of goods is recognised when significant risks and benefits are transferred from the seller to the purchaser in accordance with the terms and conditions of sale. Sales are recognised after deductions for VAT and discounts. Revenues from solar energy are calculated on the basis of watts produced and are recognised after deducting VAT and any applicable discounts.

SERVICE ASSIGNMENTS

Revenue from the sale of services on a current account basis is recognised as revenue in the period in which the work is performed and materials are delivered or consumed.

Revenue from the sale of services at a fixed price is recognised using the percentage of completion method. This means that revenue and expenses are recognised according to the stage of completion of the project at the balance sheet date. The stage of completion is determined by calculating the ratio of contract costs incurred for work performed at the balance sheet date to the estimated total contract costs. An anticipated loss on a service contract is recognised immediately as an expense. When the outcome of a service contract cannot be estimated reliably, revenue is recognised only for amounts corresponding to contract costs incurred that are likely to be reimbursed by the client. Contract costs are recognised as expenses in the period in which they are incurred.

GRANTS AND SUBSIDIES

ASAB received various forms of subsidies (state, regional and local grants) from the production of solar energy. Grants are received per watt produced and have been recognised as other income in 2021. After the separate listing on 29 October 2021, ASAB is accounted for as an associated company.

EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits within the Group consist of salary, social security contributions, paid holiday, paid sick leave, healthcare and bonuses. Short-term employee benefits are recognised as an expense and a liability when there is a legal or informal obligation to pay a remuneration.

POST EMPLOYMENT BENEFITS

Soltech has individual defined contribution pension plans. In defined contribution plans, the Company pays fixed charges to another company and has no legal or informal obligation to pay anything further post employment. The Group's income is charged in pace with employees' pensionable service being completed.

REMUNERATION UPON TERMINATION

Remuneration upon termination is payable when a company within the Group decides to terminate employment before the normal termination date, or when an employee accepts an offer of voluntary redundancy in exchange for such compensation. If the remuneration does not give the Company any future economic benefit it is reported as a liability and an expense when the Company has a legal or informal obligation to make such a payment. The remuneration is valued at the best estimate of the remuneration that would be required to settle the obligation at the balance sheet date.

INCOME TAX

CURRENT TAX

Current tax is calculated on the taxable profit for the period. Taxable profit differs from the profit recognised in the income statement as it has been adjusted for non-taxable income and non-deductible expenses and for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated using the tax rates that prevail on the balance sheet date.

DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements

and the tax base used to calculate taxable profit. Deferred tax is recognised using the balance sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally 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 liabilities and assets are not recognised if the temporary difference relates to goodwill.

GOODWILL

Goodwill is recognised at cost less accumulated amortisation and any impairment. Goodwill is amortised on a straight-line basis over ten years. Amortisation of goodwill is recognised in the consolidated income statement under the item Depreciation/amortisation.

OTHER INTANGIBLE FIXED ASSETS

Other intangible fixed assets are recognised at cost less accumulated amortisation and any impairment.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment. Cost consists of the purchase price, costs directly attributable to the acquisition to bring it into position and ready for use, and estimated costs of dismantling and removing the asset and restoring the site where it is located. Subsequent expenditure is included in the asset, or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. All other repair and maintenance costs and incidental expenses are recognised in the income statement in the period in which they are incurred.

THE FOLLOWING DEPRECIATION PERIODS ARE APPLIED:

GROUP AND PARENT COMPANY

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

PARTICIPATIONS IN ASSOCIATED COMPANIES

An associated company is an entity in which the Group exercises significant but not controlling influence, normally comprising entities in which the Group holds 20-50% of the voting rights. Shares in associated companies are recognised according to the equity method.

When applying the equity method, an investment in an 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 the Group's share of an associated company's losses equals or exceeds the carrying amount of the investment in the associated company, the carrying amount is reduced until the carrying amount is zero. Additional losses are recognised as a provision only to the extent that the investor has a legal or constructive obligation to cover the losses or if the investor has made payments on behalf of the associated company. If the associated company recognises profits in the next financial year, the investor company shall recognise its share of profits only when they exceed the share of losses not recognised by the investor company.

The share in the associated company's profit or loss after tax is recognised as "Profit/loss from participations in associated companies and joint ventures" in the consolidated income statement.

LEASING

A financial lease agreement is a contract under which the economic risks and rewards incidental to ownership of an asset are essentially transferred from the lessor to the lessee. Other lease agreements are classified as operating lease agreements. Lease payments under operating lease agreements are expensed on a straight-line basis over the lease term, unless another systematic approach better reflects the economic benefits to the user over time.

THE GROUP AS THE LESSEE

Assets held under financial lease agreements are recognised as non-current assets in the consolidated balance sheet at the lower of their fair value at the inception of the lease or the present value of the minimum lease payments. The lessee's liability to the lessor is recognised in the balance sheet under the headings Other non-current liabilities and Other current liabilities. Lease payments are allocated between interest and amortisation of the liability. Interest is allocated over the lease term so that each accounting period is charged with an amount equal to a fixed rate of interest on the liability recognised in that period. Interest expense is recognised immediately in the income statement unless it is directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale and the capitalisation principle is applied.

FINANCIAL INSTRUMENTS

Financial instruments are recognised in accordance with the rules in K3 Chapter 11, which means that valuation is based on the acquisition value.

Financial instruments that are recognised in the balance sheet include securities, accounts receivable and other receivables, short-term investments, accounts payable and loans payable. The instruments are recognised in the balance sheet when Soltech becomes party to the instrument's contractual terms.

Financial assets are eliminated from the balance sheet when the right to receive the cash flows from the instrument have terminated or have been transferred and the Group has transferred, in all significant aspect, the risks and benefits associated with their ownership.

Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise discontinued. Bond issuance costs are amortised over the life of the loan. Borrowing costs relating to loans for the construction of solar energy installations are included in the cost of the assets acquired.

IMPAIRMENT TESTING OF FINANCIAL ASSETS

At each balance sheet date, Soltech assesses whether there is any indication of impairment for any of the financial assets. If any such indication exists and the decline is deemed to be permanent, impairment

is determined by calculating the asset's recoverable amount, which is the higher of value in use and fair value. An impairment loss is recognised if the recoverable amount is less than the carrying amount. Value in use is calculated as the present value of future payments that the entity expects to receive from using the asset. Any impairment losses are reported in the income statement item Impairment of investments in group companies. Examples of indications of impairment are negative economic conditions or adverse changes to industry conditions in companies whose shares Soltech has invested in.

BORROWING COSTS

Borrowing costs are capitalised and amortised according to the duration of the loans.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value on the balance sheet date.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. Reported cash flow includes transactions involving receipts or disbursements only. Cash and cash equivalents include, in addition to cash, available balances with banks and other credit institutions.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or informal) 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 reviewed on each balance sheet date and adjusted to reflect the best estimate of the amount required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the payments expected to be required to settle the obligation, the carrying amount is the present value of those payments.

PARENT COMPANY'S ACCOUNTING AND VALUATION PRINCIPLES

The accounting policies of the Parent Company and the Group are the same except for the recognition of untaxed reserves and appropriations.

SHARES AND PARTICIPATIONS IN SUBSIDIARIES

Shares and participations in subsidiaries are reported at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs, but not the contingent consideration.

UNTAXED RESERVES

The Parent Company recognises untaxed reserves including deferred tax liabilities. In the consolidated accounts, however, untaxed reserves are divided into deferred tax liability and equity.

EQUITY

Equity is divided into restricted and non-restricted equity, in accordance with the Swedish Annual Accounts Act.

DEFINITION OF KEY RATIOS:

NET SALES

All revenue, including changes in work in progress.

OPERATING PROFIT/LOSS (EBIT):

Operating result including depreciation of fixed assets and goodwill

EQUITY RATIO:

Adjusted equity as a percentage of the balance sheet total.

EARNINGS PER SHARE:

The Group's profit after tax divided by outstanding shares on the balance sheet date.

NOTE 2. Estimations and assessments

Estimations and assessments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The estimations for accounting purposes that result from these assessments will, by definition, seldom equal the related actual results. The estimations and assumptions that have a significant risk of material adjustments to the reported values of assets and liabilities within the next year are outlined below.

OBSOLESCENCE OF INVENTORIES

Like other companies, Soltech is constantly changing and adapting to market conditions. As part of this process, the Board of Directors makes continuous assessments of any impairment of existing inventories at the balance sheet date. Determining impairment is a significant and difficult judgment call.

INTANGIBLE ASSETS

The Group recognises intangible assets at a total value of SEK 934,995 (377,185) million. Of these, SEK 934,955 (377,185) is goodwill and SEK 40 (0) thousand is intangible assets. Goodwill and intangible assets are related to the business combinations that have been completed. Impairment testing is carried out annually.

IMPAIRMENT TESTING

The Company has performed impairment tests on goodwill recognised in the Group and the Parent Company's holdings in subsidiaries based on the management team's best estimate of future discounted cash flows. On this basis, the management team considers that there are no reasons for the further impairment of book values.

Cash flows discounted for impairment testing are taken from the units' respective budgets and long-term forecasts with the assumption that sufficient financing can be secured to continue operations over the long term. The valuation model discounts cash flows with a WACC of 10%. A sensitivity analysis with an applied WACC of 14% was performed but no significant additional impairment needs were identified.

PROVISION FOR GUARANTEE LIABILITIES

The Group estimates outstanding guarantee obligations annually. This is a standardised calculation based on previous years' costs, which may result in deviations from actual outcomes.

PROVISION FOR CONTINGENT CONSIDERATIONS

Estimates of outstanding contingent considerations relating to business combinations are made at the time of acquisition and the assessment and valuation is then updated within one year of completion when the purchase price allocation is finalised.

DEFERRED TAX ASSET

A deferred tax asset is an asset in the form of reduced future tax due to tax deductions against future taxable profits. The state income tax for Swedish legal entities that are own tax subjects for income tax purposes is 20.6% of the taxable profit before tax. Soltech has tax losses that, before the income year 2022, amount to just over SEK 221 (153) million, which is equivalent to a deferred tax asset of SEK 45.5 (32.7) million. Soltech considers it likely that the deferred tax asset will be able to be utilised as the Group grows but makes the assessment that this will not happen in the next financial period and has therefore chosen to not recognise this asset for the time being.

NOTE 3. Breakdown of revenue by business line and geographical market

Net sales by business area

GROUP	2022	2021
Solar energy products	957,278	280,042
Other products and services	974,134	533,634
Electricity sales incl. grants	-	99,021
Total	1,931,412	912,697

PARENT COMPANY	2022	2021
Other products and services	36,316	15,799
Total	36,316	15,799

Net sales by geographical market

GROUP	2022	2021
Sweden	1,546,023	808,262
Spain	152,607	-
The Netherlands	223,429	-
China	-	99,021
Other markets	9,352	5,414
Total	1,931,412	912,697

PARENT COMPANY	2022	2021
Sweden	32,005	15,799
Spain	1,919	-
The Netherlands	2,392	-
Total	36,316	15,799

NOTE 3 CONTINUED ►

NOTE 3 CONTINUED ►

Other operating income consists of the following:

GROUP	2022	2021	PARENT COMPANY	2022	2021
Government grants – China	-	32,294	Other	130	307
Separate listing ASAB	-	288,015	Total	130	307
Deconsolidation effect	49,441	-			
Other	20,648	6,823			
Total	70,089	327,132			

Note 4. Remuneration to the auditors

GROUP	2022	2021	PARENT COMPANY	2022	2021
PwC			PwC		
Audit assignment	2,382	2,916	Audit assignment	732	694
Auditing activities other than the auditing assignment	314	1,123	Auditing activities other than the auditing assignment	312	550
Other assignments	808	2,560	Other assignments	808	120
Tax consulting	27	75	Tax consulting	-	65
Total PwC	3,532	6,674	Total PwC	1,853	1,429
Other auditing firms					
Audit assignment	1,056	831			
Auditing activities other than the auditing assignment	-	104			
Other assignments	267	125			
Tax consulting	-	177			
Total other auditing firms	1,322	1,237			
Total remuneration to the auditors	4,854	7,911			

Note 5. Lease agreements

In the Group's accounts, operating leases essentially consist of rent for premises and lease payments for cars. Rental contracts for premises are generally concluded for three years with the possibility of renewal.

Future minimum lease payments, which must be paid under non-cancellable lease agreements:

GROUP	2022	2021	PARENT COMPANY	2022	2021
Due for payment > 1 year	30,321	18,097	Due for payment > 1 year	3,152	2,071
Due for payment 1 – 5 years	52,493	39,480	Due for payment 1 – 5 years	5,178	11,357
Due for payment < five years	6,168	8,490	Due for payment < five years	-	-
Total	88,982	66,067	Total	8,330	13,428
Lease fees charged during the period	27,813	59,638	Lease fees charged during the period	2,654	1,309

Note 6. Personnel, etc.

Remuneration of senior executives and Board of Directors

Directors' fees are decided by the Annual General Meeting. Proposals for the remuneration of the CEO are submitted by the Chairman of the Board to the Board of Directors, which is the decision-making body for remuneration and other terms of employment for the CEO. In 2022, CEO Stefan Ölander received remuneration of SEK 2,523 (2,535) thousand plus a variable component of SEK 1,250 (2,160) thousand. The variable component is based on business objectives that change over time as the Company develops. In addition to salary and, where applicable, variable salary, the CEO receives a pension contribution which amounted to SEK 1,342 (604) thousand in 2022.

AVERAGE NUMBER OF EMPLOYEES

MEN ♂	2022	2021	WOMEN ♀	2022	2021
Parent Company	8	6	Parent Company	8	5
Subsidiaries	774	494	Subsidiaries	97	69
Group total	782	500	Group total	105	74

AVERAGE NUMBER OF EMPLOYEES PER COUNTRY

MEN ♂	2022	2021	WOMEN ♀	2022	2021
Sweden	626	486	Sweden	68	66
China	0	14	China	0	8
Spain	126	0	Spain	25	0
The Netherlands	30	0	The Netherlands	12	0
Group total	782	500	Group total	105	74

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY CONTRIBUTIONS

Wages, salaries and other remuneration	2022	2021	Social security contributions (of which pension contributions)	2022	2021
Parent Company	16,695	15,069	Parent Company	9,116 (2,609)	4,738 (1,502)
Subsidiaries	290,696	201,086	Subsidiaries	106,154 (18,281)	68,897 (16,505)
GROUP	307,391	216,155	GROUP	115,270	73,635

SENIOR EXECUTIVES ON THE BALANCE SHEET DATE

MEN ♂	2022	2021	WOMEN ♀	2022	2021
Board members	4	4	Board members	2	2
Other members of the Company's management team including the CEO	4	4	Other members of the Company's management team including the CEO	3	2

Note 6. Personnel, etc. *continued*

REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES, PARENT COMPANY AND GROUP

Directors' fees/salaries and other remuneration	2022	2021	Pension expenses	2022	2021
CEO Mats Holmfeldt	502	140	CEO Mats Holmfeldt	-	-
Former Chair Anna Kingberg Batra ¹	-	951	Former Chair Anna Kingberg Batra ¹	-	-
Board member, Frederic Telander ²	-	802	Board member, Frederic Telander ²	-	182
Of which variable remuneration	-	189	Of which variable remuneration	-	-
Board member, VD Stefan Ölander	3,773	4,695	Board member, VD Stefan Ölander	949	604
Of which variable remuneration	1,250	2,160	Of which variable remuneration	393	-
Board member, Hellen Wohlin Lidgard	246	100	Board member, Hellen Wohlin Lidgard	-	-
Board member, Johan Theil	146	-	Board member, Johan Theil	-	-
Board member, Jimmie Wiklund	-	120	Board member, Jimmie Wiklund	-	-
Board member, Göran Starkebo	289	195	Board member, Göran Starkebo	-	-
Board member, Vivianne Holm	169	-	Board member, Vivianne Holm	-	-
Board member, Ninna Engberg	-	75	Board member, Ninna Engberg	-	-
Other Group Management 5 (4) persons	6,786	5,445	Other Group Management 5 (4) persons	1365	500
Other employees	294,230	201,283	Other employees	18,183	16,721
Total	307,391	216,155	Total	20,890	18,007

¹ The former Chair received SEK 0 (370,000) in board fees and SEK 0 (437,500) was invoiced for consultancy fees in 2022.

² Refers to salary in the subsidiary Advanced Soltech Sweden AB (publ). Board member until 12 May 2021.

The CEO has a notice period of 6 months in case of termination by the CEO and 12 months in case of termination by the Company. No severance payment is due.

Note 7. Depreciation/amortisation & impairment

DEPRECIATION/AMORTISATION BY TYPE OF ASSET

GROUP	2022	2021	PARENT COMPANY	2022	2021
Intangible assets	-74,539	-40,139	Stocks	-111	-12
Buildings	-1,265	-745	Total	-111	-12
Stocks	-8,309	-3,779			
Leased assets	-12,559	-6,566			
Solar energy plants	-	-38,395			
Impairment losses	-1,062	-77,238			
Total	-97,735	-166,862			

Note 8. Profit from participations in associated companies

GROUP	2022	2021
Impairment losses	-100,735	-
Shares in associated companies, profit/loss	-13,364	1,785
Total	-114,099	1,785

Note 9. Profit/loss from shares in Group companies

PARENT COMPANY	2022	2021
Dividend	3,156	2,808
Impairment losses	-76,692	-61,393
Other	-10,000	-
Total	-83,536	-58,585

Note 10. Interest income and similar profit/loss items

GROUP	2022	2021
Interest income	1,782	434
Exchange rate differences	3,051	52,006
Other	-	60
Total	4,834	52,500

PARENT COMPANY	2022	2021
Interest income	1,650	277
Interest income, Group companies	1,778	1,318
Exchange rate differences	83	788
Other	2,623	-
Total	6,134	2,383

Note 11. Interest expenses and similar profit/loss items

GROUP	2022	2021
Interest expenses	-6,732	-85,981
Interest on leases	-874	-397
Exchange rate differences	-566	-1,028
Amortisation of capitalised borrowing costs	-	-23,798
Other	-8,072	-5,962
Total	-16,245	-117,166

PARENT COMPANY	2022	2021
Interest expenses	-461	-19
Exchange rate differences	-	-324
Other	-7,849	-5,945
Total	-8,310	-6,288

Note 12. Appropriations

PARENT COMPANY	2022	2021
Group contributions received	17,408	-
Paid Group contributions	-54,600	-32,387
Total Group contributions	-37,192	-32,387

Note 13. Tax on profit/loss for the year

GROUP	2022	2021	PARENT COMPANY	2022	2021
Current tax	-12,249	-1,902	Current tax	-	-
Deferred tax ¹	93	-6,557	Deferred tax ¹	-	-
Total current tax	-12,155	-8,459	Total current tax	0	0
Tax calculated according to the applicable tax rate	22,930	29,628	Tax calculated according to the applicable tax rate	-31,558	27,562
Tax effect of non-deductible expenses	-1,065	-9,977	Tax effect of non-deductible expenses	-80	-54
Tax effect of non-taxable income	1	2,022	Tax effect of non-taxable income	-	578
Tax attributable to previous years' profit/loss	2,403	5,477	Tax attributable to previous years' profit/loss	-	-
Unrecognised deferred tax	-36,566	-48,804	Unrecognised deferred tax	31,638	-28,086
Tax effect of standard interest on tax allocation	-51	-	Tax effect of standard interest on tax allocation	-	-
Effect of change in tax rates	-28	-35	Effect of change in tax rates	-	-
Untaxed reserves	-	188	Untaxed reserves	-	-
Other non-deductible expenses	221	13,042	Other non-deductible expenses	-	-
Reported tax expense	-12,155	-8,459	Reported tax expense	0	0

¹ See Note 2 Estimations and assessments

Note 14. Patents, capitalised expenditure for development work

GROUP	2022	2021	PARENT COMPANY	2022	2021
Opening accumulated cost	1,819	559	Opening accumulated cost	559	559
Acquisition for the year	522	778	Acquisition for the year	-	-
Reclassifications	-	482	Reclassifications	-	-
Closing accumulated cost	2,341	1,819	Closing accumulated cost	559	559
Opening accumulated depreciation	-886	-559	Opening accumulated depreciation	-559	-559
Reversal of depreciation on disposals	-	-	Reversal of depreciation on disposals	-	-
Reclassifications	-	-108	Reclassifications	-	-
Depreciation for the year	-326	-219	Depreciation for the year	-	-
Closing accumulated depreciation	-1,212	-886	Closing accumulated depreciation	-559	-559
Total	1,129	933	Total	0	0

Note 15. Goodwill

GROUP	2022	2021
Opening accumulated cost	497,474	232,502
Acquisition for the year	613,700	288,051
Reclassification	-	-23,079
Sales/disposals	-57,846	-
Conversion difference	27,240	-
Closing accumulated cost	1,080,568	497,474
Opening accumulated depreciation and amortisation	-61,512	-28,199
Reclassification	-4,972	4,618
Depreciation for the year	-74,174	-37,931
Translation differences	-1,516	-
Closing accumulated cost	-142,174	-61,512
Opening accumulated impairment losses	-58,777	-
Impairment losses	-1,062	-58,777
Sales/disposals	56,400	-
Closing accumulated cost	-3,439	-58,777
Total	934,955	377,185

Note 16. Other intangible assets

GROUP	2022	2021
Opening accumulated cost	-	47,610
Acquisitions made	-	-
Acquisition for the year	-	-
Sales/disposals	-	-49,840
Reclassifications	200	-689
Currency effect	-	2,919
Closing accumulated cost	200	-
Opening accumulated depreciation and amortisation	-	-4,969
Depreciation acquired	-120	-
Depreciation for the year	-40	-1,989
Sales/disposals	-	6,901
Reclassifications	-	315
Currency effect	-	-258
Closing accumulated depreciation	-160	-
Total	40	0

Note 17. Buildings & land

GROUP	2022	2021
Opening cost	37,915	-
Acquisitions made	21,076	37,933
Additions	997	1,096
Disposals/retirements	-	-1,139
Reclassifications	-	25
Conversion difference	1,026	-
Closing accumulated cost	61,014	37,915
Opening depreciation according to plan	-5,719	-
Depreciation acquired	-825	-4,955
Disposals/retirements	-	-
Reclassifications	-	-19
Depreciation for the year according to plan	-1,265	-745
Conversion difference	-49	-
Closing depreciation according to plan	-7,858	-5,719
Closing residual value according to plan	53,156	32,196

Note 18. Equipment, tools, fixtures and fittings

GROUP	2022	2021	PARENT COMPANY	2022	2021
Opening accumulated cost	86,017	17,651	Opening accumulated cost	36	36
Acquisitions made	17,664	28,216	Acquisitions made	767	-
Acquisition for the year	29,950	4,988	Acquisition for the year	-	-
Leasing	9,797	43,862	Leasing	-	-
Disposals/retirements	-8,225	-9,040	Disposals/retirements	-	-
Reclassifications	-2,154	66	Reclassifications	-	-
Currency effect	1,534	274	Currency effect	-	-
Adjustments for errors in previous years	-	-	Adjustments for errors in previous years	-	-
Closing accumulated acquisition value	134,583	86,017	Closing accumulated acquisition value	803	36
Opening accumulated depreciation	-35,767	-10,138	Opening accumulated depreciation	-15	-3
Depreciation acquired	-13,071	-21,005	Depreciation acquired	-	-
Disposals/retirements	6,337	6,032	Disposals/retirements	-	-
Depreciation for the year	-8,309	-3,779	Depreciation for the year	-111	-12
Depreciation for the year leasing	-12,559	-6,566	Depreciation for the year leasing	-	-
Currency effect	-598	-164	Currency effect	-	-
Reclassifications	-3,020	-72	Reclassifications	-	-
Adjustments for errors in previous years	0	-75	Adjustments for errors in previous years	-	-
Closing accumulated depreciation	-66,986	-35,767	Closing accumulated depreciation	-126	-15
Total	67,596	50,250	Total	677	21

Note 19. Construction in progress and advance payments for property, plant and equipment

Construction in progress and advance payments for property, plant and equipment

GROUP	2022	2021
Opening carrying amount	0	59,963
Investments	9,709	19,773
Reclassifications	0	-62,948
Disposals/retirements	0	-20,068
Currency effect	0	3,280
Total	9,709	0

Note 20. Shares in subsidiaries

PARENT COMPANY	2022	2021
Opening cost	536,363	319,499
Reclassifications	-1,550	-
Acquisitions for the year	547,293	218,384
Sales for the year	-	-29,485
Disposal	-51,932	-
Shareholder contributions	55,725	27,965
Closing accumulated cost	1,085,899	536,363
Opening impairment losses	-33,458	-7,850
Reclassifications	1,550	-
Reversed impairment losses	15,000	-
Impairment losses for the year	-24,760	-25,608
Closing accumulated impairment losses	-41,668	-33,458
Total	1,044,231	502,905

Additional information is only provided for acquisitions that are categorised as major.

On 1 April, 53.3% of the shares in the Dutch solar energy company 365 Energie Holding B.V. were acquired. (365zon) is domiciled in Eindhoven, the Netherlands. Since the date of acquisition, 365zon has contributed SEK 223,429 thousand to the Group's net sales and SEK -2,298 thousand to the Group's profit/loss.

On 22 June, 65% of the shares in the Catalan solar energy company SUD Energies Renovables SL (SUD), domiciled in Catalonia, Spain, were acquired. Since the date of acquisition, 365zon has contributed SEK 152,607 thousand to the Group's net sales and SEK 14,957 thousand to the Group's profit/loss.

On 21 September, 100% of the shares in Takab i Jönköping AB (TAKAB) were acquired, which it took possession of on 3 October. Since the date of acquisition, 365zon has contributed SEK 44,493 thousand to the Group's net sales and SEK -723 thousand to the Group's profit/loss.

NOTE 20 CONTINUED ►

Note 20. Shares in subsidiaries, *continued*

Specification of shares in Group companies
Name | Corporate ID no. | Domicile

2022	Number of shares	Share of votes %	Share of capital %	Equity	Profit/loss for the year	Carrying amount
GALILEUS AB 559006-6022 Stockholm	500	100	100	4	-1	50
NP GRUPPEN AB 556101-8499 Stockholm	1,650	60	60	662	-18,197	19,367
SKEDALA FÖRVALTNING AB 556251-3985 Halmstad	1,000	100	100	501	-4,898	0
SEPSOLT AB 559197-3572 Stockholm	1,000,000	100	100	67,398	0	123,293
SOLTECH ENERGY SOLUTIONS 1988 AB 556340-1560 Jönköping	1,112	100	100	42,250	31	0
SOLDAGS I SVERIGE AB 559062-6569 Stockholm	1,000	100	100	9,559	9,338	31,629
TAKORAMA AB 556390-8150 Gothenburg	1,020	70	70	2,965	821	9,820
FASADSYSTEM I STENKULLEN AB 556317-9596 Lerum	2,200	100	100	12,244	2,198	50,087
MILJÖ & ENERGIANSVAR I SVERIGE AB 556866-8577 Stockholm	556	100	100	451	-6,262	7,100
TAKREKOND I KALMAR AB 556801-5449 Kalmar	600	100	100	1,301	629	3,528
TAKREKOND I SMÅLAND AB 556709-9436 Växjö	1,000	100	100	4,007	1,985	13,490
DIN TAKLÄGGARE I VÄRMLAND - DALSLAND AB 556244-2698 Arvika	600	100	100	7,188	1,902	21,030
ANNELUNDSTAK AB 556660-1299 Ljung	1,000	92	92	2,260	1,047	23,662
LJUNGS SEDUM 556896-3986 Ljung	500	72	72	3,071	641	7,352
PROVEKTOR SWEDEN AB 556214-6810 Skara	5,000	100	100	22,192	10	81,662
AFSENS FASTIGHETER 556246-3231 Skara	5,000	100	100	6,916	131	0
ELEKTRIKERNA VÄSTRA GÖTALAND AB 556204-3405 Skara	1,000	100	100	119	0	0
NORRKÖPINGS ELEKTRISKA I HELSINGBORG AB 559101-8980 Skara	500	100	100	-723	-779	0
RAMS EL AB 556465-3086 Göteborg	100	100	100	3,922	10	36,015
TAKBYRÅN I ALINGSÅS AB 556565-1485 Alingsås	3,000	100	100	7,343	13	63,694
WETTERGRENS TAK OCH PLÅTSLAGERI AB 556613-8656 Nyköping	2703	90	90	2,140	333	14,823
ESSA GLAS & ALUMINIUM AB 556897-3993 Örebro	100	100	100	4,648	11	56,875
FALU PLÅTSLAGERI AB 559102-6611 Falun	500	70	70	50	-2,237	3,086
TAK OCH BYGG I FALUN AB 556708-6094 Falun	1,000	70	70	3,595	3,282	5,967
365 ENERGIE HOLDING B.V. 73 383 635 Eindhoven, The Netherlands	360	53.3	53.3	34,974	-2,286	178,151
365ZON VERHUUR B.V. 73 382 396 Eindhoven, The Netherlands	180	53.3	53.3			0
365 ENERGIE B.V. 54 890 586 Eindhoven, The Netherlands	27,000	53.3	53.3			0
SUD ENERGIES RENOVABLES S.L. B63967640 Avinyó, Spain	133,177	65	65	36,032	14,475	181,868
INSTAL SUD 2007 S.L. B64506231 Avinyó, Spain	24,000	65	65	5,260	521	0
TG:S EL I FINSPÅNG AB 556222-6083 Finspång	1,000	100	100	2,230	-686	26,261
SMART SOLKRAFT AB 559173-7068 Linköping	500	100	100	990	-572	0
KALEMA E-MOBILITY AB 559238-1650 Borlänge	5000	80	80	892	801	7,772
TAKAB I JÖNKÖPING AB 556445-0467 Jönköping	1053	100	100	15,274	-712	77,122
SOLTECH BUSINESS SUPPORT 3.0 AB 559411-1410 Skara				191	-334	525
				Total		1,044,231

* Refers to the profit/loss for the year in each legal entity, not consolidated profit/loss.

Note 20. Shares in subsidiaries, *continued*

Specification of shares in Group companies
Name | Corporate ID no. | Domicile

2021	Number of shares	Share of votes %	Share of capital %	Equity	Profit/loss for the year	Carrying amount
GALILEUS AB 559006-6022 Stockholm	500	100	100	4	-60	50
NP GRUPPEN AB 556101-8499 Stockholm	1,650	60	60	844	-1,338	19,367
SOLTECH SALES & SUPPORT AB 556251-3985 Halmstad	1,000	100	100	4,258	-1,299	0
SEPSOLT AB 559197-3572 Stockholm	1,000,000	100	100	42,398	-100	98,293
SOLTECH ENERGY SOLUTIONS 1988 AB 556340-1560 Jönköping	1,112	100	100	17,218	986	-
SOLDAGS I SVERIGE AB 559062-6569 Stockholm	1,000	100	100	221	-13,190	31,629
TAKORAMA AB 556390-8150 Gothenburg	1,020	70	70	3,167	1,878	9,820
FASADSYSTEM I STENKULLEN AB 556317-9596 Lerum	2,200	70	70	3,965	6,081	31,676
MILJÖ & ENERGIANSVAR I SVERIGE AB 556866-8577 Stockholm	556	100	100	113	3,852	12,912
TAKREKOND I KALMAR AB 556801-5449 Kalmar	600	100	100	671	-679	3,527
TAKREKOND I SMÅLAND AB 556709-9436 Växjö	1,000	80	80	2,832	1,622	10,548
DIN TAKLÄGGARE I VÄRMLAND - DALSLAND AB 556244-2698 Arvika	600	60	60	4,232	2,146	11,863
ANNELUNDSTAK AB 556660-1299 Ljung	1,000	76	76	978	471	21,112
LJUNGS SEDUM 556896-3986 Ljung	500	52	52	2,107	640	6,744
PROVEKTOR SWEDEN AB 556214-6810 Skara	5,000	100	100	13,712	2,970	73,212
AFSENS FASTIGHETER 556246-3231 Skara	5,000	100	100	6,777	152	0
ELEKTRIKERNA VÄSTRA GÖTALAND AB 556204-3405 Skara	1,000	100	100	118	0	0
RAMS EL AB 556465-3086 Göteborg	100	100	100	3,913	3,720	36,015
TAKBYRÅN I ALINGSÅS AB 556565-1485 Alingsås	3,000	100	100	7,330	2,745	63,695
WETTERGRENS TAK OCH PLÅTSLAGERI AB 556613-8656 Nyköping	2,703	90.1	90.1	1,806	1,446	14,823
NEAB GRUPPEN AB 556897-3993 Norrköping	915	100	100	1,157	-14,116	932
GTEL SVERIGE AB 556748-7680 Linköping	1,000	100	100	1,291	1,188	-
NORRKÖPING ELEKTRISKA EAST AB 556356-6487 Norrköping	1,000	100	100	138	-11,250	-
NORRKÖPINGS ELEKTRISKA I LINKÖPING AB 559121-0975 Linköping	500	100	100	50	-8,451	-
NORRKÖPINGS ELEKTRISKA I NYKÖPING AB 559122-2236 Nyköping	500	100	100	2,163	-1,549	-
AB SVENSK ELKONSTRUKTION 559046-6032 Norrköping	500	100	100	50	-1,186	-
NORRKÖPINGS ELEKTRISKA I SKÅNE AB 559189-9686 Norrköping	500	100	100	-22,130	-18,632	-
NORRKÖPINGS ELEKTRISKA I HELSINGBORG AB 559101-8980 Helsingborg	500	100	100	511	-455	-
ESSA GLAS & ALUMINIUM AB 556897-3993 Örebro	100	100	100			56,687
				Total		502,905

* Refers to the profit/loss for the year in each legal entity, not consolidated profit/loss.

Note 21. Shares in associated companies

GROUP	2022	2021	PARENT COMPANY	2022	2021
Opening cost	317,735	-	Opening cost	123,125	-
Reclassification	-	112,083	Reclassification	-	123,125
Reassessment of separate listing	-	195,013	Total	123,125	123,125
Shares in associated companies, profit/loss	-13,364	1,785			
Currency effect	9,512	8,854			
Impairment	-100,735	-			
Total	213,148	317,735			

Specification of shares in Group companies
Name | Corporate ID no. | Domicile

	Number of shares	Share of votes %	Share of capital %	Equity	Profit/loss for the year	GROUP Carrying amount	PARENT COMPANY Carrying amount
ADVANCED SOLTECH SWEDEN AB (PUBL) 559056-8878 Stockholm	11,373,941	28.69	28.69	524,452	2,084	213,148	123,125
Total						213,148	123,125

Note 22. Other securities held as non-current assets

GROUP	2022	2021
Opening cost	100	106
Acquired assets	555	25
Disposals/retirements	-	-
Reclassifications	38	-31
Closing accumulated cost	693	100
Opening revaluations	0	0
Reclassifications	-138	-
Closing accumulated cost	-138	0
Total	555	100

Note 23. Deferred tax assets & deferred tax liabilities

Temporary differences exist in cases where the reported and taxable values of assets or liabilities are different. Temporary differences concerning the following items have resulted in deferred tax assets and tax liabilities. For tax losses in the Parent Company, see Note 2.

DEFERRED TAX ASSETS

GROUP	2022	2021
Other	146	-
Total	146	0

DEFERRED TAX LIABILITY

GROUP	2022	2021
Untaxed reserves	7,783	7,015
Excess depreciation	472	1,225
Surplus value property	1,475	1,555
Other items	988	129
Total	10,718	9,924

Note 24. Other long-term receivables

GROUP	2022	2021
Opening cost	11,900	89,727
Acquired assets	4,091	219
Change for the year	-11,350	-78,046
Total	4,641	11,900

PARENT COMPANY	2022	2021
Opening cost	11,500	459
Acquired assets	-	-
Change for the year	-11,041	11,041
Total	459	11,500

Note 25. Accrued, not invoiced income

GROUP	2022	2021
Accrued income	377,290	419,085
Invoiced amounts	-269,516	-362,144
Total	107,774	56,941

Note 26. Prepaid expenses and accrued income

GROUP	2022	2021	PARENT COMPANY	2022	2021
Prepaid rents	4,457	2,943	Prepaid rents	819	283
Accrued income	28,933	10,626	Accrued income	3,618	2,543
Other items	5,230	4,883	Other items	1,380	1,154
Total	38,620	18,452	Total	5,817	3,980

Note 27. Cash and cash equivalents

GROUP	2022	2021	PARENT COMPANY	2022	2021
Cash funds	-	-	Cash funds	-	-
Bank deposits	275,298	336,127	Bank deposits	179,243	288,369
(Of which restricted funds) ¹	(7,043)	(332)	(Of which restricted funds) ¹	(2,100)	(100)
Total	275,298	336,127	Total	179,243	288,369

¹ Group contributions made

Note 28. The share

The share capital consists of 129,648,994 (94,581,000) ordinary shares with a quota value of SEK 0.05 (0.05) and one vote each.

Total number of outstanding shares on 31 December 2022	129,648,994
Quota value (SEK)	0.05

Note 29. Appropriation of profits

The following amounts are available for the Annual General Meeting:

AMOUNT IN SEK	
Profit/loss brought forward	-282,002,670
Share premium reserve	1,538,737,175
Profit/loss for the year	-153,195,800
	1,103,538,705

The Board of Directors proposes

Carried forward to new accounts	1,103,538,705
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Note 30. Provisions

ADDITIONAL PURCHASE PRICE

GROUP	2022	2021	PARENT COMPANY	2022	2021
At beginning of year	140,207	58,790	At beginning of year	140,206	58,789
Additional provisions	204,507	81,417	Additional provisions	204,507	81,417
Amounts utilised	-35,639	-	Amounts utilised	-35,639	-
Reclassification	-86,000	-	Reclassification	-86,000	-
Reversal of unused amounts	-	-	Reversal of unused amounts	-	-
At year-end	223,075	140,207	At year-end	223,074	140,206

GUARANTEES

GROUP	2022	2021	PARENT COMPANY	2022	2021
At beginning of year	3,091	2,301	At beginning of year	0	0
Additional provisions	4,793	1,285	Additional provisions	300	-
Amounts utilised	-466	-495	Amounts utilised	-	-
At year-end	7,418	3,091	At year-end	300	0

OTHER

GROUP	2022	2021	PARENT COMPANY	2022	2021
At beginning of year	670	432	At beginning of year	0	0
Additional provisions	-	238	Additional provisions	-	-
At year-end	670	670	At year-end	0	0
Total	231,163	143,968	Total	223,374	140,206

Other provisions consist of additional purchase prices linked to completed business combinations. The reclassification attributable to the current portion of the provisions is recognised as Other liabilities.

Note 31. Non-current liabilities

GROUP	2022	2021
Liabilities to credit institutions	32,851	46,397
Option to buy out non-controlling interests	215,155	10,118
Liability leases	13,124	11,711
Other liabilities	8,667	2,581
Total non-current liabilities	269,797	70,807
Due within 2 – 5 years	269,797	70,807

Note 32. Overdraft facilities

Overdraft facilities in the Group amount to SEK 78.3 (54.4) million, of which SEK 26.7 (16.2) million has been utilised. In the Parent Company, the overdraft facility amounts to SEK 15 (0) million.

Note 33. Deferred unrealised income

GROUP	2022	2021
Accrued income	-290,393	-232,622
Invoiced amounts	371,864	264,673
Total	81,471	32,051

Note 34. Accrued expenses and deferred income

GROUP	2022	2021	PARENT COMPANY	2022	2021
Salaries, holiday pay and social security contributions	62,503	48,367	Salaries, holiday pay and social security contributions	4,987	1,270
Accrued interest expenses	-	-	Accrued interest expenses	-	-
Accrued fees	1,811	4,146	Accrued fees	990	3,643
Deferred income	10,861	6,931	Deferred income	-	-
Other accrued expenses	15,495	8,156	Other accrued expenses	477	1,050
Total	90,670	67,600	Total	6,454	5,963

Note 35. Pledged assets and contingent liabilities

PLEGGED ASSETS

GROUP	2022	2021	PARENT COMPANY	2022	2021
<i>For own provisions and liabilities</i>			<i>For own provisions and liabilities</i>		
Mortgaged assets	2,544	29,523	Corporate mortgages	1,050	1,050
Corporate mortgages	124,459	55,306	Restricted funds	2,100	100
Property mortgages	28,803	5,000	Shares in subsidiaries	32,230	54,087
Restricted funds	6,925	332	Total	35,380	55,237
Inventory with retention of title	32,230	1,448			
Shares in subsidiaries	32,149	32,149			
Other	838	-			
Total	227,948	123,758			

CONTINGENT LIABILITIES

GROUP	2022	2021	PARENT COMPANY	2022	2021
Guarantee commitments PRI	-	947	Guarantee commitments	15,400	-
Guarantee commitments	15,400	-	Guarantee commitment	85,186	12,186
Bank guarantee	-	7,907	Other contingent liabilities	3,000	-
Guarantee commitment	34,777	12,186	Total	103,586	12,186
Public grants	-	810			
Other contingent liabilities	5,078	720			
Total	55,256	22,570			

Note 36. Cash flow adjustment items

GROUP	2022	2021	PARENT COMPANY	2022	2021
Depreciation/amortisation	96,733	83,059	Depreciation/amortisation	111	4
Impairment losses	1,062	77,238	Impairment losses	-	-
Revaluation, associated companies	100,735	-288,142	Revaluation, associated companies	-	-
Share of profit/loss, associated companies	13,365	-1,785	Share of profit/loss, associated companies	-	-
Other adjustment items	-335	14,163	Other adjustment items	-1,215	-462
Total	211,560	-115,467	Total	-1,104	-458

Note 37. Transactions with group companies

PARENT COMPANY	2022	2021
Share of sales to group companies	100%	97%
Share of purchases from group companies	22%	91%

All transactions between group companies have occurred on market terms.

Note 38. Transactions with related parties

No significant related party transactions, besides normal business transactions, have taken place in the Group or in the Parent Company during the year.

Note 39. Events after the balance sheet date

Additional acquisitions:

During the first quarter, Soltech completed four add-on acquisitions:

- On 31 January 2023, Soltech, through the wholly owned subsidiary Takbyrån, made an additional acquisition of 100% of the shares in the solar energy company Vårgårda Solenergi AB.
- On 1 February 2023, through Wettergrens Tak, it made an additional acquisition of 100% of the shares in Plåtteamet i Örnköldsvik AB.
- On 03 March 2023, Soltech, through the wholly owned subsidiary Din Takläggare, made an additional acquisition of 100% of the shares in Arvika Elinstallationer AB.
- On 30 March 2023, Soltech, via Takorama, made an additional acquisition of 100% of the shares in Din Elkontakt i Kungälv AB.

The undersigned Board members and CEO hereby declare that the annual report has been prepared in accordance with the Swedish Annual Accounts Act and recognised accounting standards, that current accounting standards have been applied and that the information provided is consistent with actual circumstances.

Stockholm, 19 April 2023

Mats Holmfeldt
Chairman of the Board

Stefan Ölander
CEO

Hellen Wohlin Lidgard
Board member

Vivianne Holm
Board member

Göran Starkebo
Board member

Johan Thiel
Board member

Our auditor's report on this annual report was issued on 19 April 2023.

Öhrlings PricewaterhouseCoopers AB

Claes Sjödin
Authorised public accountant



Facing the future as a modern energy movement

There is an infinite source of energy right above our heads, and it is up to all of us to make better use of the sun's rays.

The light that hits the Earth's surface in two hours is enough to meet the world's energy needs for an entire year. At Soltech, we capture and transform that energy. With engineers, roofers and electricians working together, we make 'solar technology' adaptable, efficient and accessible to everyone.

Together with individuals transforming their properties into energy producers, businesses wanting to be part of the change, and all our shareholders, we are making energy a natural part of everyday life.

The climate needs you, so join us and let every sunrise be the start of a new green day.

We call it a modern energy movement.

**WANT TO JOIN OUR
SOLAR JOURNEY –
CONTACT US!**

Soltech Energy Sweden AB (publ)
Birger Jarlsgatan 41A
111 45 Stockholm
08-425 03 150

info@soltechenergy.com
soltechenergy.com

