Soltech

OPENS A NEW BRANCH IN THE BALEARIC ISLANDS

Soltech's Spanish subsidiary Sud Renovables has expanded into the Spanish Balearic Islands with a newly opened branch in Palma, Mallorca. Solar cell installations are now being provided to individuals and companies on the islands of Mallorca, Menorca, Ibiza and Formentera.

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YEAR-END REPORT

JANUARY – DECEMBER **2023**

SOLTECH ENERGY SWEDEN AB (publ)

QUARTER 4 2023
1 OCTOBER – 31 DECEMBER

- Net sales increased by 1% to SEK 740.6 (732.4) million.
- The Group's organic growth amounted to -3% (81%).
- Adjusted EBITDA amounted to SEK 58.1 (52*) million. The adjusted EBITDA margin was 7.8% (7.1%*). EBITDA amounted to SEK 58.1 (101.4) million.
- Adjusted EBITA amounted to SEK 41.5 (46.1*) million. Adjusted EBITA margin was 5.6% (6.3%*).
- Profit/loss after tax for the quarter amounted to SEK -120.2 (-59.7) million. Profit/loss was affected by non-cash effects of impairments and profit from shares in associated company Gigasun of SEK 131.9 (121.3) million.
- Cash flow from operating activities for the period amounted to SEK 102.4 (-4.9) million. Cash flow for the quarter amounted to SEK 50.8 (26.7) million.
- Earnings per share before and after dilution amounted to SEK -0.91 (-0.46).

KEY EVENTS DURING THE QUARTER:

- Subsidiary Soltech Energy Solutions signed an agreement to build an 11 MW solar park in a three-way partnership with energy company Axpo and media company Egmont.
- Subsidiary Takorama announced a major partnership with Catena with an order value of around SEK 36 million.
- Subsidiary Soltech Energy Solutions got an order for a rooftop facility measuring 18,600 m2 with construction starting in Q2 2024.
- Subsidiary Annelunds Tak secured an order for solar, roof and sedum green roof installations with an order value of SEK 36 million.
- Spanish subsidiary Sud Renovables opened a branch in Palma, Mallorca.
- Minority shares in NP Gruppen AB were acquired during the quarter.

FULL-YEAR 2023
1 JANUARY – 31 SEPTEMBER

- Net sales increased by 50% to SEK 2,904.4 (1,931.4) million.
- The Group's organic growth amounted to 26% (57%).
- Adjusted EBITDA amounted to SEK 128.5 (-8,8*) million. The adjusted EBITDA margin was 4.4% (-0.5%*). EBITDA amounted to SEK 128.5 (-19.8) million.
- Adjusted EBITA amounted to SEK 75.4 (-41.5*) million. The adjusted EBITA margin was 2.6% (-2.1%*). EBITA amounted to SEK 75.4 (-52.5) million.
- Profit/loss after tax for the period amounted to SEK -165.9 (-224.2) million. Profit/loss was affected by non-cash effects of impairments and profit from shares in associated company Gigasun of SEK 156.2 (114.1) million.
- Cash flow from operating activities for the period amounted to SEK 2.3 (-191.3) million.
- Cash flow for the period amounted to SEK -62.5 (-60.8) million.
- Earnings per share before and after dilution amounted to SEK -1.25 (-1.73).

KEY EVENTS DURING THE PERIOD:

- During the past year, Soltech has made six acquisitions – Tekniska lösningar i Täby AB as a wholly owned subsidiary – and five add-on acquisitions. The add-on acquisitions are Vårgårda Solenergi AB, Plåtteamet i Örnsköldsvik AB, Arvika Elinstallationer AB, Din Elkontakt i Kungälv AB and Icopal Entreprenad in Helsingborg. During the year, minority shares were acquired in Takorama Elteknik AB and NP Gruppen AB.
- This is the Group's third financial report prepared in accordance with IFRS. Comparative figures have also been recalculated. See from » **page 23** for more specific information about the recalculations.

KEY EVENTS AFTER THE END OF THE REPORTING PERIOD:

- The Board presented new five-year financial targets. The target for 2028 is revenue of SEK 8,000 million with profitability (EBITA) of 10%.
- Associated company Advanced Soltech changed its name to Gigasun AB (publ). The name was changed to avoid confusion with Soltech.

SELECTED KEY RATIOS* (Amounts in SEK thousands unless otherwise indicated)	**2023** Oct – Dec. 3 months	**2022** Oct – Dec. 3 months	**2023** Jan – Dec. 12 months	**2022** Jan – Dec. 12 months
Net sales	**740,577**	732,416	**2,904,405**	1,931,412
Sales trend %	**1%**	42%	**50%**	61%
Organic growth adjusted for FX %	**-3%**	81%	**26%**	57%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**58,133**	101,369	**128,489**	-19,837
Operating profit/loss (EBITA)	**41,475**	95,462	**75,399**	-52,525
EBITA margin %	**5.60%**	13%	**2.60%**	-2.7%
Operating profit/loss (EBIT)	**30,112**	89,577	**51,992**	-62,252
Profit/loss for the period	**-120,223**	-59,676	**-165,934**	-224,192
Earnings per share, before and after dilution (SEK)	**-0.91**	-0.46	**-1.25**	-1.73
Cash flow from operating activities	**102,437**	-4,879	**2,346**	-191,345
Equity ratio%	**41%**	48%	**41%**	48%
Number of shares	**132,279,393**	129,648,994	**132,279,393**	129,648,994
Equity per share, before and after dilution(SEK)	**7.70**	9.06	**7.70**	9.06

** Adjusted for one-off effects, see* » ***page 33*** *for more information.*

CEO STATEMENT

Significantly improved EBITDA for the full year

In the fourth quarter of 2023, Soltech achieved net sales of SEK 740.6 million and an EBITDA of SEK 58.1 million, despite challenging market conditions. Our cash flow is positive and our cash reserves are improving. For the full year 2023, net sales reached SEK 2,904 million, which is an increase of 50 per cent, and EBITDA improved from SEK -19.8 million in 2022 to SEK 128.5 million.

OUR OPERATIONAL ACTIVITIES ARE PROFITABLE

We are pleased to be able to maintain high sales and operational profitability for the fourth quarter of 2023 when compared to a strong fourth quarter in 2022. Growth was not as dynamic as the year before as we have been focusing on profitability for 18 months, and no major acquisitions have been made since October 2022.

Our bottom line is still in the red, which is largely due to profit/loss and impairment of SEK 131.9 million on the value of our holding in Gigasun (formerly Advanced Soltech) due to a reduced share price. We are currently conducting a strategic review of Gigasun. According to Gigasun's quarterly report on 20 February, the company is engaged in ongoing discussions in China regarding securing equity and is also considering other possible strategies to secure Gigasun's long-term capital supply. This includes the possibility of a strategic sale to a suitable partner which may include Soltech's shareholding. All the options are being assessed to maximise value for Gigasun's and Soltech's shareholders, and to enable Gigasun's continued expansion.

OUR DIVERSIFICATION POLICY IS NOW PAYING OFF

Demand for solar energy and related services has recently slowed slightly, especially in the consumer market. Soltech's strategy is to own solar energy companies focused on both the consumer and commercial markets, and to also own companies in the roofing, façade and electrical engineering sectors. It has become very clear that having a diverse range of companies is a good business strategy, especially when these companies benefit from belonging to the Soltech family by jointly creating a strong end-to-end offer to our customers.

NEW TARGET IN SIGHT

Our revenue has gone from SEK 50 million in 2018 to SEK 2,904 million in 2023, a 58-fold increase. Our new target is to reach revenues of SEK 8,000 million with 10 per cent EBITA by the 2028 financial year. For 2023, our plan was to strengthen our offer and improve our profitability, which we accomplished. We consider our new target to be challenging but perfectly reasonable given the market conditions we see in the coming years.

CHALLENGING GLOBAL ENVIRONMENT AND STOCK MARKET CLIMATE

I am proud of everything we have achieved together in the Group, both in terms of growth and improved profitability. However, I am far from satisfied with profitability or our stock market performance. Our strategy is to continue to focus on delivering increasingly higher quality and profitability. In addition, we are of course monitoring our costs and taking appropriate action on an ongoing basis. With our energetic and motivated entrepreneurs and employees, we will continue to build an even better group that will lead to increased shareholder value in the future.

2024 will be a challenging year, but with the hope of future interest rate cuts and clear rules in the solar market, the underlying need and desire for a green transition and hopefully a more stable environment, I look to the future with confidence.

Wishing you all the best,

Stefan Ölander, CEO

Our operations

Soltech Energy was an early adopter of solar energy and, together with innovators at the KTH Royal Institute of Technology, started the business in 2006. Since then, the company has developed, sold and installed solar energy solutions for property owners, landowners and individuals, as well as for agriculture and society in general. In 2019, Soltech began a growth journey focusing on acquisitions and organic growth to become a leaderin the solar energy market and to accelerate the green transition. Building a group of companies of the size we are today requires a strong focus on profitability, quality and growth, and this is achieved every day in our subsidiaries in solar, roofing, façade, electrical engineering, charging and storage.

Soltech is a comprehensive supplier with market-leading expertise in solar technology and advanced installations for future-proof green energy solutions. The Group's overall goal is to integrate solar into the everyday, and we are working to contribute to the green transition while also creating long-term value for our approximately 75,000 shareholders.

Our companies develop, sell, install and optimise solar energy solutions including charging and smart storage solutions, as well as services in electrical engineering, roofing and façade contracting. By taking responsibility for the entire value chain, from development to installation and service, all types of properties can be converted into efficient energy producers with our help.

We have market-leading industrial and logistics customers who install solar energy on roofs and façades. There is great potential for rooftop solar installations and energy-efficient solar façades. Solar parks are a major focus for the whole industry and an important source of energy for society as a whole, not just locally but also for our increasing energy needs as a society. We are developing land for large-scale solar-energy solutions with associated energy storage such as battery parks and charging stations.

The increasing electricity consumption that we see everywhere in society creates a need to find new future-proof and smart solutions for property owners and landowners so that they can produce and use their own green electricity in the best possible way.

BUSINESS STRATEGY THAT CONTRIBUTES TO SOCIETAL CHANGE

Our growth and transformation strategy is unique and based on acquiring companies in the solar, roofing, electrical engineering and façade sectors in Sweden, the Netherlands and Spain. We have acquired prosperous companies with strong local roots and create not only new business opportunities but also positive synergies for existing subsidiaries, our customers and the environment. With new targets for 2028, strategic acquisitions will continue to be part of our business, but the overall focus will be on the continued transformation and development of our existing companies.

By being an entrepreneurial group with cross-industry expertise that requires all of us, we contribute to enhanced value creation. By transforming companies in traditional industries, we become an active and important force for societal change. We transform companies into companies of the future with solar energy as a platform. Adding solar energy to the acquired companies' existing solutions extends the businesses and adapts them so that they meet customers' and society's demands and needs for renewable energy.

Through company acquisitions, Soltech has welcomed a large number of committed contractors and their employees who, with their various core competencies, open new doors for each other. Our diverse expertise means that together we can offer the market new types of complete solutions.

ENVIRONMENTAL RESPONSIBILITY — SOCIAL RESPONSIBILITY — ECONOMIC RESPONSIBILITY

We are a modern energy movement that makes a difference and integrates the sun into the everyday lives of more people.

SUSTAINABILITY

Since 2022, we have been working on a sustainability agenda in the six sustainability areas that represent the most important issues for the Group. In this way, we not only have an environmental goal of integrating more of the sun into everyday life –we are also part of the solution to the social and economic challenges facing our industries. Soltech consists of companies from different industries and our sustainability work reflects and includes the most important issues for all businesses. As we are and want to remain part of the solution, we link our sustainability work to the 2030 Agenda to make it easier to understand how our activities affect the world around us.

Our sustainability work is based on the three core elements of the 2030 Agenda: Environmental protection – good for the planet, Social inclusion – good for people, and Economic growth – good for Soltech and the economy as a whole.

We are a modern energy movement that makes a difference and integrates the sun into everyday life.

Segment information

Soltech's four business areas also constitute the Group's reporting segments and form the basis of the internal reporting structure. The segments are evaluated and analysed by the CEO to determine the allocation of resources and evaluate the Group's performance.

OPERATING SEGMENT

SOLAR

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

ELECTRICAL ENGINEERING

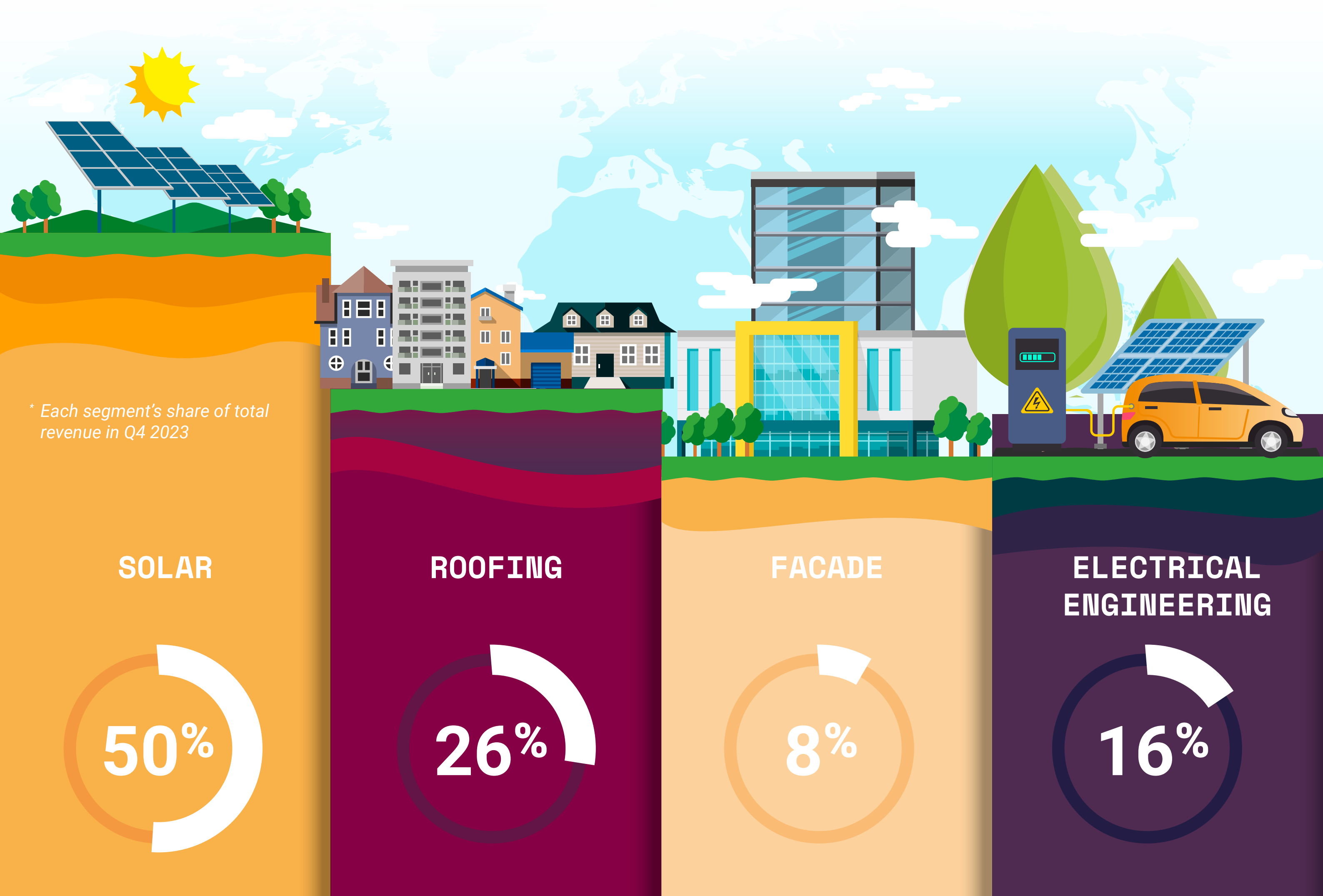
The Group's solar technology companies with associated add-on acquisitions are Provektor, Rams El, TG:s El i Finspång and E-Mobility and Tlab. The electricity companies supply complete solutions in electrical installation, control systems and automation, as well as solar energy solutions with control and storage, in order to promote smart energy use and meet society's increasing energy demands.

ROOFING

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

FACADE

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



REVENUE AND PROFIT/LOSS PER SEGENT

Earnings before interest, taxes, depreciation and amortisation (EBITDA) is the performance measure reported to the chief operating decision maker as a basis for allocating resources and assessing segment performance.

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

2023 SEK THOUSANDS 1 January – 31 December	SOLAR	ROOFING	ELECTRICAL ENGINEERING	FACADE	GROUP-WIDE & ELIMINATION	Total
Total revenue	**1,647,745**	**767,829**	**463,251**	**218,978**	**-136,166**	2,961,636
EBITDA	84,305	45,681	10,873	11,155	-23,525	128,489
Depreciation/amortisation and impairment	-	-	-	-	-76,497	-76,497
Profit from participations in associated companies	-	-	-	-	-156,212	-156,212
Financial income	-	-	-	-	11,027	11,027
Financial expenses	-	-	-	-	-67,259	-67,259
Profit/loss before tax						-160,452

2022 SEK THOUSANDS 1 January – 31 December	SOLAR	ROOFING	ELECTRICAL ENGINEERING	FACADE	GROUP-WIDE & ELIMINATION	Total
Total revenue	**909,378**	**574,046**	**345,047**	**193,295**	**-20,265**	2,001,501
EBITDA	-17,008	17,157	-50,453	9,955	20,511	-19,837
Depreciation/amortisation and impairment	-	-	-	-	-42,415	-42,415
Profit from participations in associated companies	-	-	-	-	-114,099	-114,099
Financial income	-	-	-	-	4,833	4,833
Financial expenses	-	-	-	-	-42,307	-42,307
Profit/loss before tax						-213,825

Consolidated income statement in summary

AMOUNT IN SEK THOUSANDS	2023 Oct – Dec. 3 months	2022 Oct – Dec. 3 months	2023 Jan – Dec. 12 months	2022 Jan – Dec. 12 months
Net sales	740,577	732,416	2,904,405	1,931,412
Other operating income	35,239	72,200	57,230	70,089
Raw materials, consumables and goods for resale	-508,769	-492,928	-1,967,157	-1,337,220
Other external expenses	-48,520	-63,177	-219,882	-185,636
Employee benefit costs	-151,758	-147,142	-624,675	-498,482
Depreciation/amortisation and impairment	-28,021	-11,793	-76,497	-42,415
Other operating costs	-8,637	-	-21,433	-
Operating profit/loss	30,112	**89,577**	51,992	**-62,252**
Profit/impairment from participations in associated companies	-131,875	-121,313	-156,212	-114,099
Financial income	3,283	3,915	11,027	4,833
Financial expenses	-21,704	-24,134	-67,259	-42,307
Profit/loss before tax	-120,185	**-51,956**	-160,452	**-213,825**
Income tax	-39	-7,721	-5,482	-10,368
Profit/loss for the period	-120,223	**-59,676**	-165,934	**-224,192**
Profit/loss for the period attributable to:				
Parent company shareholders	-121,549	-58,333	-164,566	-217,362
Holdings with a non-controlling interest	1,326	-1,343	-1,368	-6,830
Earnings per share (SEK)				
Earnings per share before dilution	-0.91	-0.46	-1.25	-1.73
Earnings per share after dilution	-0.91	-0.46	-1.25	-1.73

Consolidated statement of comprehensive income in summary

AMOUNT IN SEK THOUSANDS	2023 Oct – Dec. 3 months	2022 Oct – Dec. 3 months	2023 Jan – Dec. 12 months	2022 Jan – Dec. 12 months
Profit/loss for the period	-120,223	**-59,676**	-165,934	**-224,192**
Items that can be reversed to the income statement				
Exchange rate differences on the translation of foreign operations	-27,755	5,198	-10,924	38,723
Other comprehensive income	-27,755	**5,198**	-10,924	**38,723**
Comprehensive income for the period	-147,978	**-54,478**	-176,858	**-185,469**
Comprehensive income for the period attributable to:				
Parent company shareholders	-149,304	-53,135	-175,490	-178,639
Holdings with a non-controlling interest	1,326	-1,343	-1,368	-6,830

Consolidated statement of financial position in summary

AMOUNT IN SEK THOUSAND	2023 31/12	2022 31/12	2022 01/01
Non-current assets			
Goodwill	911,357	874,401	377,185
Other intangible assets	141,151	139,430	933
Property, plant and equipment	172,618	101,822	45,150
Right-of-use assets	95,760	93,957	40,928
Participations in associated companies	112,133	213,148	317,735
Other long-term receivables	3,825	5,196	12,000
Deferred tax asset	6,836	290	-
Total non-current assets	**1,443,680**	**1,428,243**	**793,931**
Current assets			
Inventories	230,432	240,766	102,629
Accrued, not invoiced income	139,322	107,773	56,941
Accounts receivable	361,628	316,754	143,667
Tax assets	8,634	9,212	2,379
Receivables from associated companies	24,133	28,377	26,079
Other receivables	38,746	29,718	8,729
Prepaid expenses and accrued income	45,270	36,771	17,560
Cash and cash equivalents	212,261	275,298	336,127
Total current assets	**1,060,426**	**1,044,669**	**694,111**
TOTAL ASSETS	**2,504,106**	**2,472,912**	**1,488,042**
Equity			
Share capital	6,614	6,482	4,729
Other contributed equity	1,362,436	1,327,412	888,736
Translation reserve	36,652	47,576	8,853
Profit/loss brought forward, including profit/loss for the period	-392,252	-217,960	1,451
Holdings with a non-controlling interest	5,128	11,207	34,885
Total equity	**1,018,578**	**1,174,716**	**938,654**
Non-current liabilities			
Liabilities to credit institutions	71,330	32,851	44,610
Deferred tax liability	39,602	44,272	9,924
Other liabilities	359,716	443,050	154,832
Lease liabilities	56,931	58,124	23,770
Provisions	10,074	8,089	3,622
Total non-current liabilities	**537,652**	**586,387**	**236,757**
Current liabilities			
Accounts payable	224,787	214,856	82,430
Current tax liabilities	15,937	7,363	7,102
Lease liabilities	36,774	30,362	12,902
Current liabilities to credit institutions	65,515	65,596	22,359
Overdraft facilities	20,173	26,721	16,215
Other liabilities	409,956	194,770	71,859
Deferred, unrealised income	49,981	81,471	32,163
Accrued expenses and deferred income	124,753	90,670	67,600
Total current liabilities	**947,875**	**711,809**	**312,630**
TOTAL EQUITY AND LIABILITIES	**2,504,106**	**2,472,912**	**1,488,042**

Consolidated statement of changes in equity in summary

2023	Share capital	Other contributed capital	Translation reserves	Profit/loss brought forward, inc. profit/loss for the year	Total equity attributable to the parent company's shareholders	Holdings with a non-controlling interest	Total equity Capital
Opening balance 1 January 2023	**6,482**	**1,327,412**	**47,576**	**-217,960**	**1,163,510**	**11,207**	**1,174,717**
Adjustment for adoption of IFRS9	-	-	-	-11,191	-11,191	-	-11,191
Profit/loss for the year	-	-	-	-164,566	-164,566	-1,368	-165,934
Other comprehensive income	-	-	-10,924	-	-10,924	-	-10,924
Total comprehensive income	**0**	**0**	**-10,924**	**-175,757**	**-186,681**	**-1,368**	**-188,049**
Transactions with owners:							
New share issue	132	35,024	-	-	35,156	-	35,156
Dividend	-	-	-	-	-	-8,698	-8,698
Acquisition of minority shares	-	-	-	1,465	1,465	-4,029	-2,564
Invested capital minority	-	-	-	-	-	8,016	8,016
Total transactions with owners	**132**	**35,024**	**0**	**1,465**	**36,621**	**-4,711**	**31,910**
Closing balance 31 December 2023	**6,614**	**1,362,436**	**36,652**	**-392,252**	**1,013,450**	**5,128**	**1,018,578**

2022	Share capital	Other contributed capital	Translation reserves	Profit/loss brought forward, inc. profit/loss for the year	Total equity attributable to the parent company's shareholders	Holdings with a non-controlling interest	Total equity Capital
Opening balance 1 January 2022	**4,729**	**888,736**	**8,853**	**1,451**	**903,769**	**34,885**	**938,654**
Profit/loss for the year	-	-	-	-217,362	-217,362	-6,830	-224,192
Total other comprehensive income	-	-	38,723	-	38,723	-	38,723
Total comprehensive income	**0**	**0**	**38,723**	**-217,362**	**-178,639**	**-6,830**	**-185,469**
Transactions with owners:							
New share issue	1,753	445,483	-	-	447,236	-	447,236
IFRS-changes	-	-	-	-2,049	-2,049	214	-1,835
Other changes	-	-1,812	-	-	-1,812	-303	-2,115
Transactions with minorities	-	-4,995	-	-	-4,995	-24,856	-29,851
Invested capital minority	-	-	-	-	-	8,097	8,097
Total transactions with owners	**1,753**	**438,676**	**-**	**-2,049**	**438,380**	**-16,848**	**421,532**
Closing balance 31 December 2022	**6,482**	**1,327,412**	**47,576**	**-217,960**	**1,163,510**	**11,207**	**1,174,717**

Consolidated statement of cashflow in summary

AMOUNT IN SEK THOUSANDS	2023 Oct – Dec. 3 months	2022 Oct – Dec. 3 months	2023 Jan – Dec. 12 months	2022 Jan – Dec. 12 months
Operating activities				
Profit/loss after financial items	-120,185	-51,955	-160,452	-213,824
Adjustments for non-cash items	153,744	128,972	260,136	169,076
Income tax paid	-1,063	-2,151	-15,814	-18,962
Cash flow from operating activities before changes in working capital	**32,496**	**74,866**	**83,870**	**-63,710**
Increase (-) / Decrease (+) of inventories	13,508	-27,945	9,977	-76,169
Increase (-) / Decrease (+) of accounts receivable	60,004	15,562	-45,971	-78,871
Increase (-) / Decrease (+) of other receivables	26,670	-7,136	-39,269	-68,875
Increase (+) / Decrease (-) of accounts payable	-11,565	2,232	3,292	42,258
Increase (+) / Decrease (-) of other liabilities	-18,676	-62,459	-9,553	54,022
Cash flow from operating activities	**102,437**	**-4,879**	**2,346**	**-191,345**
Investing activities				
Acquisition of subsidiaries	-2,187	-21,546	-125,424	-138,410
Investments in intangible assets	-1,304	-20	-4,143	-541
Investments in property, plant and equipment	-37,331	-5,518	-94,500	-27,904
Investments in financial assets	-994	-573	-60,578	11,346
Cash flow from investing activities	**-41,816**	**-27,657**	**-284,645**	**-155,509**
Financing activities				
Shareholder contributions	-	-	7,020	-
Loans	-	14,513	250,752	72,908
Amortisation of lease liabilities	-9,797	-7,061	-33,917	-25,219
Dividend	-	-344	-4,029	-898
Transactions with minorities	-	-913	-	-
New share issue	-	52,999	-	239,234
Cash flow from financing activities	**-9,797**	**59,194**	**219,826**	**286,025**
Cash flow for the period	**50,824**	**26,658**	**-62,473**	**-60,829**
Cash and cash equivalents at the start of the period	**162,385**	**248,640**	**275,299**	**336,127**
Exchange rate fluctuations in cash and cash equivalents	-947	-	-564	-
Cash and cash equivalents at the end of the period	**212,261**	**275,298**	**212,262**	**275,298**

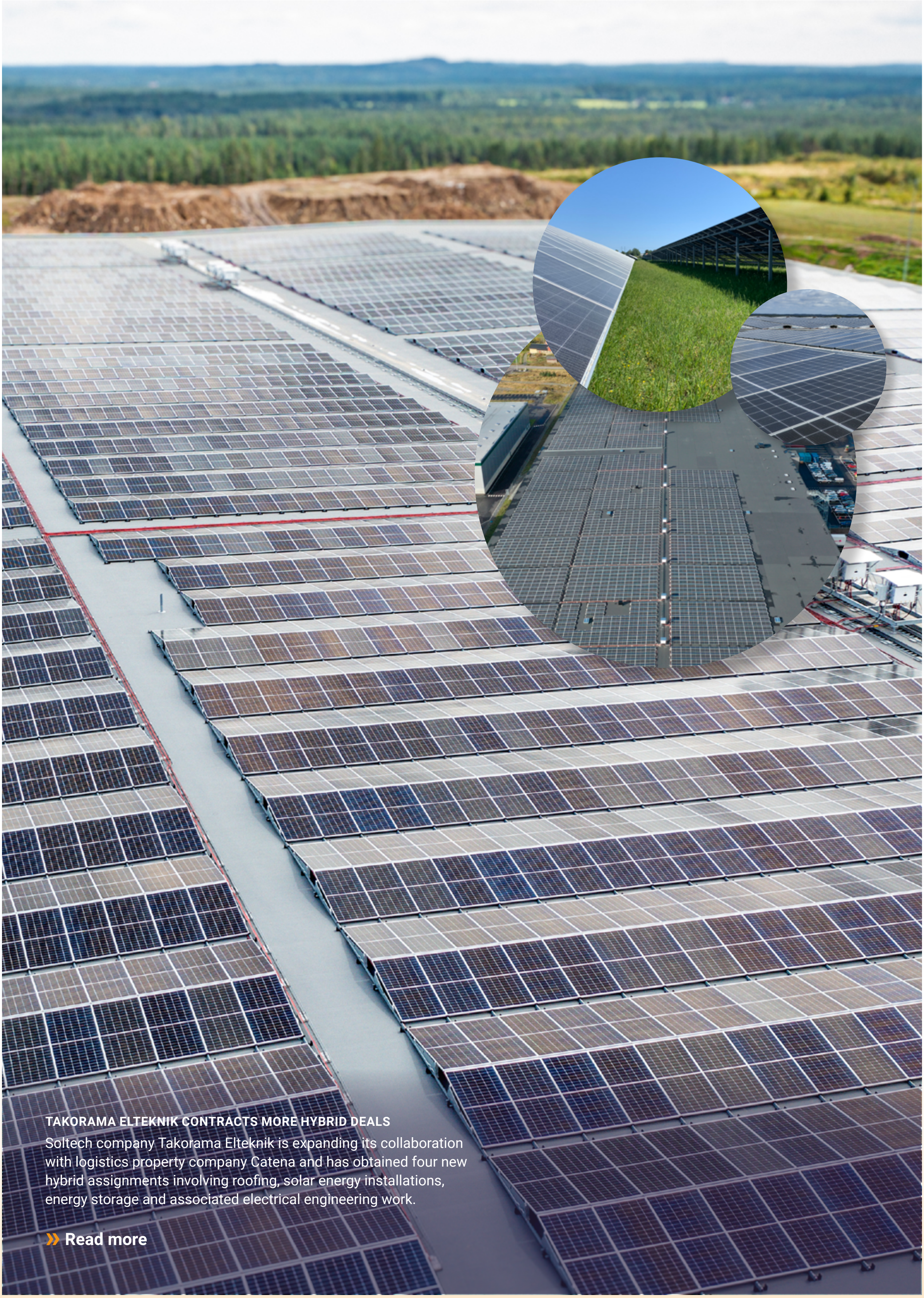
Parent company condensed income statement in summary

AMOUNT IN SEK THOUSANDS	2023 Oct – Dec. 3 months	2022 Oct – Dec. 3 months	2023 Jan – Dec. 12 months	2022 Jan – Dec. 12 months
Net sales	7,312	13,287	55,730	36,316
Other operating income	11	-	800	130
Other external expenses	-12,488	-11,935	-41,620	-40,406
Employee benefit costs	-9,065	-5,556	-32,612	-26,221
Depreciation/amortisation and impairment	-41	-43	-170	-111
Operating profit/loss	**-14,271**	**-4,247**	**-17,873**	**-30,292**
Profit/loss from participations in associated companies	-76,382	-	-76,382	-
Profit/loss from participations in subsidiaries	-6,280	-17,257	5,732	-83,536
Financial income	7,599	2,179	11,846	6,134
Financial expenses	-5,979	-9,482	-23,544	-14,710
Profit/loss before tax	**-95,313**	**-28,807**	**-100,220**	**-122,404**
Group contributions	33,550	-37,192	33,550	-37,192
Profit/loss for the period*	**-61,763**	**-65,999**	**-66,670**	**-159,596**

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

Parent company condensed balance sheet in summary

AMOUNT IN SEK THOUSANDS	2023 31/12	2022 31/12	2022 01/01
Non-current assets			
Machinery and equipment	543	677	21
Shares in subsidiaries	1,073,204	1,027,013	502,905
Participations in associated companies	107,021	123,125	123,125
Receivables from Group companies	73,043	79,861	45,092
Long-term receivables associated companies	23,390	28,377	-
Other long-term receivables	-	459	11,500
Total non-current assets	**1,277,200**	**1,259,512**	**682,643**
Current assets			
Receivables from Group companies	70,714	40,560	17,419
Other receivables	4,949	2,763	26,475
Prepaid expenses and accrued income	8,592	5,817	3,980
Cash and bank balances	75,609	179,243	288,369
Total current assets	**159,863**	**228,383**	**336,243**
TOTAL ASSETS	**1,437,063**	**1,487,895**	**1,018,886**
Equity			
Restricted equity			
Share capital	6,614	6,482	4,729
Non-restricted equity			
Share premium reserve	1,573,762	1,538,738	1,093,255
Retained profit	-451,455	-282,003	-150,208
Profit/loss for the period	-66,670	-159,596	-131,794
Total equity	**1,062,250**	**1,103,621**	**815,982**
Non-current liabilities			
Other provisions	105,699	212,556	140,206
Liabilities to credit institutions	-	-	-
Liabilities to Group companies	22,222	-	1
Total non-current liabilities	**127,921**	**212,556**	**140,207**
Current liabilities			
Accounts payable	6,028	4,664	3,893
Liabilities to Group companies	136,934	62,081	16,410
Current tax liabilities	784	557	230
Other liabilities	94,235	97,962	36,199
Accrued expenses and deferred income	8,910	6,454	5,964
Total current liabilities	**246,891**	**171,718**	**62,697**
TOTAL EQUITY AND LIABILITIES	**1,437,063**	**1,487,895**	**1,018,886**



TAKORAMA ELTEKNIK CONTRACTS MORE HYBRID DEALS

Soltech company Takorama Elteknik is expanding its collaboration with logistics property company Catena and has obtained four new hybrid assignments involving roofing, solar energy installations, energy storage and associated electrical engineering work.

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FINANCIAL SUMMARY

REVENUE AND PROFIT/LOSS

OCTOBER– DECEMBER 2023:

Net sales for the period amounted to SEK 740.6 (732.4) million.

Growth was 1 per cent in the quarter and there was organic growth of -3 per cent compared to the corresponding quarter last year. This growth rate was a result of an increased focus on profitability, a weaker consumer market, construction activity as well as a very strong comparison quarter in 2022.

For the fourth quarter, earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to SEK 58.1 (101.4) million. Adjusted EBITDA amounted to SEK 58.1 (52) million. The comparative year has been adjusted for the non-cash earnings effect of a discontinued company, which affected reported income by SEK 49.4 million. A continued focus on profitability improvements in the quarter contributed to a margin improvement of 7.8 (7.1) per cent.

EBITA amounted to SEK 41.5 (95.5) million and adjusted EBITA amounted to SEK 41.5 (46.1) million.

Operating profit, EBIT amounted to SEK 30.1 (89.6) million for the quarter and adjusted EBIT amounted to SEK 30.1 (40.2) million. EBIT for the comparative year has been adjusted as stated above.

Financial items have impacted profit before tax by SEK -18.4 (-20.2) million and consist mainly of interest and present value effects relating to contingent considerations and acquisition options that have no cash flow impact in the period.

Tax effect in the quarter amounted to SEK 0 (-7.7) million.

Soltech's holding of 30.4 per cent in Gigasun AB (publ) (formerly Advanced Soltech Sweden AB) is classified as shares in associated companies. The fall in the share price of Gigasun AB has led to a reduction in the market value of the shares in associated companies. The market value amounted to SEK 107 million as at 31 December 2023, and non-cash results and impairment losses of SEK 131.9 (121.3) million were recognised in the quarter.

According to Gigasun's quarterly report on 20 February, the company is engaged in ongoing discussions in China regarding securing equity and is also considering other possible strategies to secure Gigasun's long-term capital supply. This includes the possibility of a strategic sale to a suitable partner which may include Soltech's shareholding. All the options are being assessed to maximise value for Gigasun's and Soltech's shareholders, and to enable Gigasun's continued expansion.

Loss for the fourth quarter amounted to SEK -120.2 (-59.7) million and was largely affected by the impairment of shares in associated companies. Earnings per share before and after dilution amounted to SEK -0.91 (-0.46).

JANUARY– DECEMBER 2023

Net sales for the period amounted to SEK 2,904.4 (1,931.4) million, which is an increase of 50 per cent compared to the corresponding quarter last year. Growth was driven by acquisitions and organic growth of 26 per cent.

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK 128.5 (-19.8) million. EBITDA has been positively affected by revaluation effects of contingent considerations of SEK 26 (0) million. Adjusted EBITDA amounted to SEK 128.5 (-8.8) million. The previous year's EBITDA was adjusted for a non-cash one-off effect from a deconsolidation effect of SEK 11 million.

EBITA amounted to SEK 75.4 (-52.5) million and adjusted EBITA amounted to SEK 75.4 (-41.5) million.

The Group's EBIT amounted to SEK 52 (-62.3) million and adjusted EBIT for the period amounted to SEK 52 (-51.3) million. The improvement is primarily driven by a strong focus on profitability, synergy effects and effects from improved purchasing processes.

Other financial items have impacted profit before tax by SEK -56.2 (-37.5) million and consist mainly of interest expenses and non-cash present value effects relating to contingent consideration and acquisition options. Soltech holds a long-term loan receivable from associated companies where a revaluation has affected net financial items by SEK 5.1 (0) million.

Non-cash results and the impairment of shares in associated companies have affected profit before tax by SEK -156.2 (114) million.

The Group's tax expense in the period amounted to SEK -5.5 (-10.4) million. As a precautionary measure, the Group has chosen not to recognise deferred income tax as a result of existing tax losses.

Profit/loss the period amounted to SEK -165.9 (-224.2) million. Earnings per share before and after dilution amounted to SEK -1.25 (-1.73).

CASH FLOW AND FINANCIAL POSITION

OCTOBER– DECEMBER 2023:

Cash flow from operating activities before changes in working capital amounted to SEK 32.5 (74.9) million. Cash flow from operating activities for the period amounted to SEK 102.4 (-4.9) million. Cash flows from operating activities were affected by the increased focus on profitability and efforts to optimise working capital. The change also relates to natural variations between quarters and is due to changes in how and when we deliver our projects.

Cash flow from investing activities amounted to SEK -41.8 (-27.7) million. Cash flow from investing activities is mainly affected by investments in solar parks.

Cash flow from financing activities amounted to SEK -9.8 (59.2) million.

Cash flow for the period amounted to SEK 50.8 (26.7) million.

At the end of the period, the Group's cash and cash equivalents totalled SEK 212.3 (275.3) million. Available but unutilised credit facilities in Sweden amounted to SEK 67.1 million.

The equity ratio was 41 (48) per cent on 31 December 2023 and equity was SEK 1,018.6 (1,174.7) million. Total assets as at 31 December 2023 amounted to SEK 2,504.1 (2,472.9) million.

JANUARY– DECEMBER 2023

Cash flow from operating activities before changes in working capital amounted to SEK 83.9 (-63.7) million. Cash flow from operating activities for the period amounted to SEK 2.3 (-191.3) million. The change in working capital relates to accounts receivables and accrued, uninvoiced revenue as a result of the Group's increase in sales.

Cash flow from investing activities amounted to SEK -284.6 (-155.5) million and was mainly impacted by investments in solar parks, acquisitions of subsidiaries and contingent consideration payments as well as participating in the spring's rights issue in Gigasun.

Cash flow from financing activities totalled SEK 219.8 (286) million and largely consists of deferrals of tax payments.

Total cash flow for the period amounted to SEK -62.5 (-60.8) million.

PERSONNEL

The number of employees in the Group as of 31 December 2023 was 976 (950).

Personnel expenses for 2023 amounted to SEK 624.7 (498.5) million. The increase is primarily due to the business acquisitions completed in 2022.

PARENT COMPANY

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

REVENUE AND PROFIT/LOSS

OCTOBER– DECEMBER 2023:

The parent company's revenue amounted to SEK 7.3 (13.3) million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK -14.2 (-4.2) million and EBIT amounted to SEK -14.3 (-4.2) million.

JANUARY – DECEMBER 2023:

The parent company's revenue amounted to SEK 55.7 (36.4) million.

The parent company's earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK -17.7 (-30.2) million and EBIT amounted to SEK -17.9 (-30.3) million.

OUTSTANDING STOCK-RELATED INCENTIVE SCHEMES

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

SUMMARY OF SIGNIFICANT RISKS

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

WAR AND UNREST

A troubled world with several wars in progress has had and could continue to have a major impact on the world economy. These types of global conflicts have an indirect effect on the Group's expenses, as the price trend for the components required for the manufacture and transport of solar panel systems, roof systems, electrical installations and façades may be affected. Soltech makes no sales to or purchases from any of the current conflict zones.

SUPPLY AND INDUSTRY RISKS

The Company is dependent on deliveries from its suppliers in order to continue to sell and distribute solar panels. Cancelled or delayed deliveries, for whatever reason, can cause lower than expected sales. 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. Higher demand for components in the context of component shortages lead to a lack of availability and increased prices.

GLOBAL FINANCIAL CONDITIONS

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

CHANGES IN EXCHANGE RATES AND MARKET INTEREST RATES

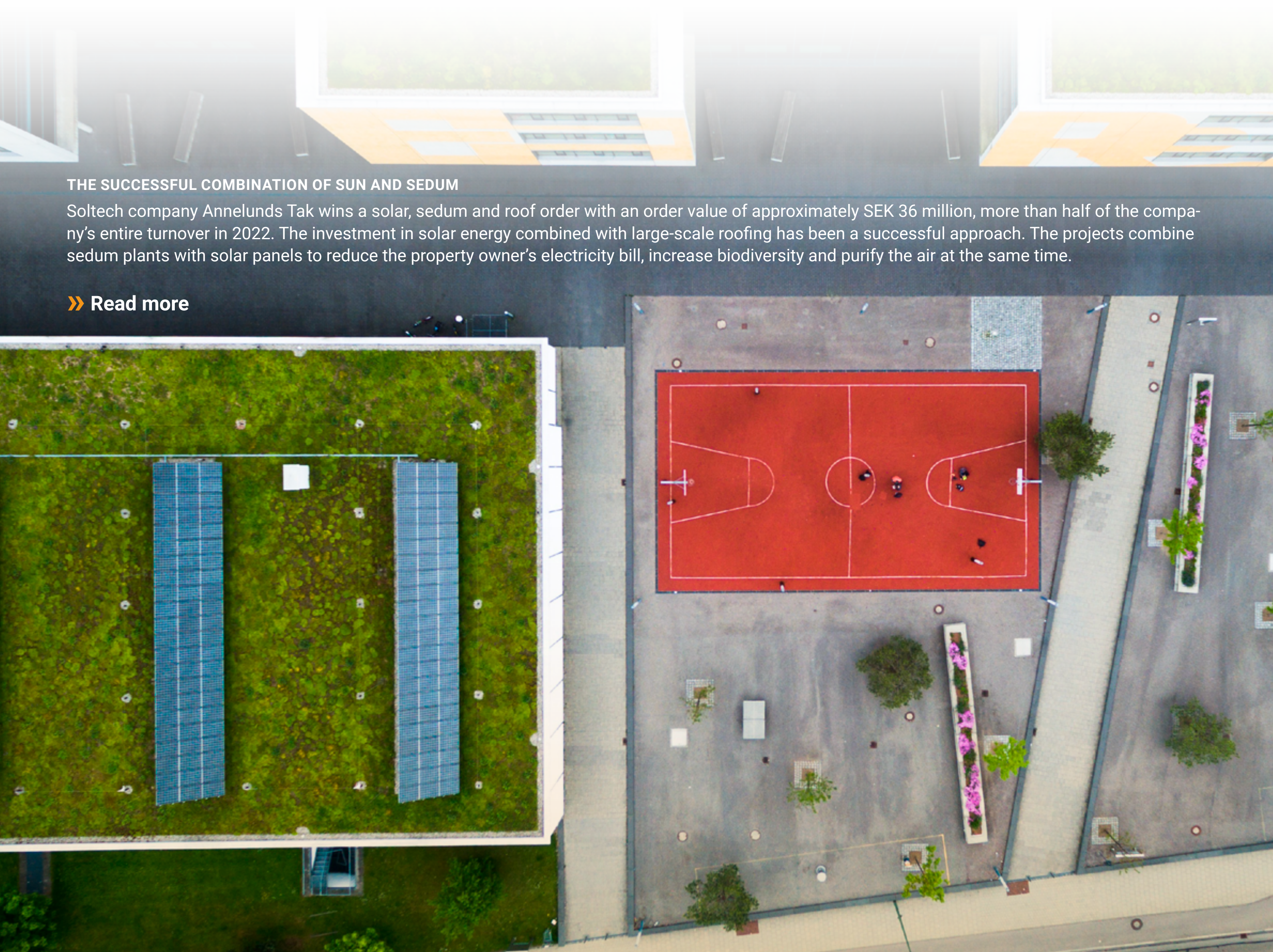
Concerns in the currency market entail currency risks as the Company operates in an international market and also purchases components in currencies other than Swedish kronor. A weakening of the Swedish krona against the Euro and the USD would result in increased costs for the procurement of these components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

FINANCING AND CONTINUITY

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

FINANCIAL ITEMS	2023 Oct – Dec. 3 months	2022 Oct – Dec. 3 months	2023 Jan – Dec. 12 months	2022 Jan – Dec. 12 months
Interest expenses	-8,116	-1,076	-17,675	-6,732
Interest on leases	-1,020	-505	-2,690	-1,553
Exchange rate differences	-144	-566	-894	-566
Revaluation impairment receivable	-148	-	-	-
Other	-38	-7,088	-478	-8,956
Present value effects	-12,238	-14,900	-45,523	-24,500
Financial expenses	**-21,705**	**-24,134**	**-67,260**	**-42,307**
Interest income	3,283	345	6,075	1,781
Exchange rate differences	-	3,120	-	3,051
Revaluation impairment receivable	-	-	4,952	-
Other	-	450	-	-
Financial income	**3,283**	**3,915**	**11,027**	**4,833**
NET FINANCIAL ITEMS	**-18,422**	**-20,220**	**-56,233**	**-37,474**

* *For definitions, see* » **Note 16**.



THE SUCCESSFUL COMBINATION OF SUN AND SEDUM

Soltech company Annelunds Tak wins a solar, sedum and roof order with an order value of approximately SEK 36 million, more than half of the company's entire turnover in 2022. The investment in solar energy combined with large-scale roofing has been a successful approach. The projects combine sedum plants with solar panels to reduce the property owner's electricity bill, increase biodiversity and purify the air at the same time.

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Notes for the financial report

1. ACCOUNTING PRINCIPLES

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

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

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

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

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

2. NUMBER OF SHARES AND DIVIDENDS

The number of shares totalled 132,279,393 (129,648,994) at the end of the period.

No dividend is proposed.

3. TRANSACTIONS WITH RELATED PARTIES

Soltech has receivables from associated companies that relate to loans issued in 2019. The loan bears interest which is capitalised on an ongoing basis and is repayable at maturity. At the balance sheet date, loan receivables amount to SEK 23.4 million in the parent company.

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

4. CONTINGENT LIABILITIES

The parent company has guarantee commitments of SEK 23.9 million and surety commitments of SEK 81.2 million. There was no significant change in contingent liabilities during the interim period.

5. ACQUISITION OF SUBSIDIARIES

ACQUISITION OF COMPANIES

Soltech has completed the following acquisitions during the year. The purchases have been financed entirely with own funds and with newly issued Soltech shares.

Possession	Acquisitions	Segment	Geographic area	Share of votes and capital
01/02/2023	Plåtteamet i Örnsköldsvik AB	Roofing	Sweden	100%
01/02/2023	Vårgårda solenergi AB	Roofing	Sweden	100%
01/04/2023	Arvika Elinstallationer AB	Roofing	Sweden	100%
03/04/2023	Din elkontakt i Kungälv AB	Roofing	Sweden	100%
05/07/2023	Tekniska Lösningar i Täby AB	Electricity	Sweden	100%

EFFECTS OF ACQUISITIONS

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

Fair value Group SEK thousand	31/12/2023	31/12/2022
Other fixed assets	1,198	41,121
Other current assets	17,058	181,240
Cash and cash equivalents	8,725	31,600
Deferred tax liability	-	-
Non-current liabilities	-564	-14,868
Current liabilities	-18,008	-156,520
Total identifiable assets	8,410	**82,574**
Consolidated goodwill	33,005	452,490
Trademarks	1,393	52,976
Customer relationships	5,831	69,691
Transferred compensation		
Cash and cash equivalents	8,268	149,537
Equity instruments	24,229	121,534
Contingent consideration	16,141	189,758
Option liability	-	196,901
Total transferred compensation	48,638	**657,731**
Impact on cash and cash equivalents		
Cash paid consideration	10,033	149,537
Cash and cash equivalents in acquired entities	-8,725	-31,600
Total impact on cash and cash equivalents	1,308	**117,937**
Impact on Soltech's net sales and profit/loss		
Net sales	43,381	368,042
Profit/loss	1,692	15,309
Consolidated pro forma for net sales and profit/loss		
Net sales	2,938,589	2,228,173
Profit/loss	6,500	-251,642

The fair value of contingent consideration accrued during the year is SEK 16.1 million, see » **Note 6.** Goodwill of SEK 33 million, Trademarks of SEK 1.4 million and Customer relations of SEK 5.8 million arising from the acquisitions consist of the cost of acquisition less the fair value of the net assets acquired. The goodwill value is justified by the companies' future earning capacity and represents the economic benefits that are expected to be achieved through, among other things, joint purchases, synergies and increased focus on solar energy solutions. No part of the goodwill is expected to be tax deductible.

The fair value of 2,095,158 ordinary shares issued as part of the consideration paid for the five acquisitions (SEK 24.3 million) is based on the fair value on the closing date.

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

The acquisitions contributed SEK 43.4 million in net sales and SEK 1.7 million to the Group's profit between the acquisition date and the end of the reporting period 2023.

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

If the acquisitions had occurred on the first day of the financial year 2023, the Group's net sales for the year would have been SEK 2,938.6 million and the Group's result would have been SEK 6.5 million.

The fair value of contingent consideration accrued during 2022 is SEK 189.8 million, see » **Note 6.** Goodwill of SEK 452.5 million, Trademarks of SEK 53 million and Customer relations of SEK 69.7 million arising from the acquisitions consist of the cost of acquisition less the fair value of the net assets acquired. The goodwill value is justified by the companies' future earning capacity and represents the economic benefits that are expected to be achieved through, among other things, joint purchases, synergies and increased focus on solar energy solutions. No part of the goodwill is expected to be tax deductible.

The fair value of 6,399,315 ordinary shares issued as part of the consideration paid for the acquisitions (SEK 121.5 million) is based on the fair value on the closing date.

Acquisition-related expenses for 2022 are included in Other external costs and amount to SEK 3.1 million.

The acquisitions contributed SEK 368 million in net sales and SEK 15.3 million to the Group's profit between the acquisition date and the end of the reporting period 31/12/2022.

If the acquisitions had occurred on the first day of the financial year 2022, the Group's net sales for the year would have been SEK 2,228.2 million and the Group's result would have been SEK -251.6 million.

6. FAIR VALUE FINANCIAL INSTRUMENTS

Under IFRS, contingent consideration and option liabilities are measured at fair value attributable to Level 3 and are recognised under Non-current liabilities and Other current liabilities in the balance sheet. At the end of the period, the Group's estimated contingent consideration amounted to SEK 194.1 million, of which SEK 16.1 million relates to acquisitions made in 2023. Liabilities for contingent consideration are linked to completed business combinations and are mainly based on the performance measure EBIT for the years 2023, 2024 and 2025. Contingent consideration is valued on an ongoing basis using a probability assessment based on expected cash flows with a risk-adjusted discount rate. Expected operating results are determined based on the company's knowledge of its business and how the current economic environment is likely to affect it. At the end of the period, option liabilities totalled SEK 237.8 million. The applied risk-adjusted discount rate is 14%.

The fair values of the Group's financial assets and liabilities are estimated to be equal to their carrying amounts. The Group does not apply net accounting to any of its material assets or liabilities. There were no transfers between levels 1, 2 or 3 or valuation categories during the period. Contingent consideration has a fixed maximum level. The potential undiscounted amount of all future payments that the Group may have to make under contingent consideration is SEK 412.4 million.

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

Changes in contingent consideration
SEK million

Opening balance contingent consideration 1 January 2022	**140.3**
Gains or losses recognised in the income statement	-
Business acquisitions	184.5
Payments	-28.7
Revaluation effects	6.4
Closing balance contingent consideration 31 December 2022	**302.6**
Opening balance contingent consideration 1 January 2023	**302.6**
Gains or losses recognised in the income statement	-25.2
Business acquisitions	15.6
Payments	-119.7
Revaluation effects	20.8
Closing balance contingent consideration 31 December 2023	**194.1**

Changes in option value
SEK millions

Opening value of option liability 1 January 2022	**-**
Acquisitions	194.9
Revaluation effects	18.1
Closing value of option liability 31 December 2022	**213**
Opening value of option liability 1 January 2023	**213**
Revaluation effects	24.8
Closing value of option liability 31 December 2023	**237.8**

7. BREAKDOWN OF REVENUE BY COUNTRY

2023 1 January – 31 December	SOLAR	ROOFING	ELECTRICAL ENGINEERING	FACADE	GROUP-WIDE & ELIMI-NATION	Total
Sweden	881,894	767,829	463,251	218,978	-136,166	**2,195,786**
Spain	293,346	-	-	-	-	**293,346**
The Netherlands	472,503	-	-	-	-	**472,503**
Total revenue	**1,647,744**	**767,829**	**463,251**	**218,978**	**-136,166**	**2,961,636**

2022 1 January – 31 December	SOLAR	ROOFING	ELECTRICAL ENGINEERING	FACADE	GROUP-WIDE & ELIMI-NATION	Total
Sweden	532,411	574,046	345,047	193,295	-20,265	**1,624,534**
Spain	153,502	-	-	-	-	**153,502**
The Netherlands	223,466	-	-	-	-	**223,466**
Total revenue	**909,378**	**574,046**	**345,047**	**193,295**	**-20,265**	**2,001,501**

8. ACCOUNTING PRINCIPLES APPLIED

CONSOLIDATED ACCOUNTS

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

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

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

BUSINESS COMBINATIONS

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

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

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

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

GOODWILL

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

REVENUES

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

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

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

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

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

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

LEASING – GROUP AS LESSEE

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

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

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

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

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

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

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

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

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

FOREIGN CURRENCIES

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

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

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

PENSION COSTS

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

INCOME TAX

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

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

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

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

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

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised on a straight-line basis over the useful life as follows:

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

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

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

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION. ACQUISITION

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

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

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

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

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

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

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

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

PARTICIPATIONS IN ASSOCIATED COMPANIES

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

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

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

FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

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

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

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

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

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

WRITE-OFFS

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

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

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

FINANCIAL LIABILITIES

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

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

DERECOGNITION OF FINANCIAL LIABILITIES FROM THE STATEMENT OF FINANCIAL POSITION

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

PROVISIONS

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

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

GUARANTEES

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

ONEROUS CONTRACTS

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

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

CLASSIFICATION AND PRESENTATION FORMATS

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

LEASES

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

SUBSIDIARIES

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

ASSOCIATED COMPANIES

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

FINANCIAL INSTRUMENTS

The parent company does not apply IFRS 9 in accordance with the exemption in RFR 2.
Instead, a method based on acquisition value according to the Annual Accounts Act is applied. This means that financial fixed assets are valued at cost less any impairment and financial current assets are valued according to the lowest value principle. When calculating the net realisable value of receivables recognised as current assets, the principles for impairment testing and loss risk provisioning under IFRS 9 are applied, see Group policies.

When assessing and calculating impairment of financial assets recognised as non-current assets, the principles for impairment testing and loss risk provisioning in IFRS 9 are applied wherever possible. Financial liabilities are measured at amortised cost using the effective interest method. The principles for recognition and derecognition of financial instruments are similar to those applied to the Group and described above. The rules in IFRS 9 regarding financial guarantee contracts are not applied in the parent company for guarantee contracts in favour of subsidiaries.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS

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

9. TRANSITION TO IFRS

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

BUSINESS COMBINATIONS (IFRS 3)

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

FINANCIAL INSTRUMENTS (IFRS 9)

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

REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15)

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

LEASES (IFRS 16)

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

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

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

Consolidated balance sheet

01/01/2022

AMOUNT IN SEK THOUSAND	NOTE	According to AR 2021 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Non-current assets				
Goodwill		377,185	-	377,185
Other intangible assets		933	-	933
Property, plant and equipment		82,446	-37,296	45,150
Right-of-use assets	14	-	40,928	40,928
Participations in associated companies		317,735	-	317,735
Other long-term receivables		12,000	-	12,000
Total non-current assets		**790,299**	**3,632**	**793,931**
Current assets				
Inventories		102,629	-	102,629
Accrued, not invoiced income		56,941	-	56,941
Accounts receivable		143,667	-	143,667
Receivables from associated companies		26,079	-	26,079
Current tax receivables		2,379	-	2,379
Other receivables		8,729	-	8,729
Prepaid expenses and accrued income	14	18,452	-892	17,560
Cash and cash equivalents		336,127	-	336,127
Total current assets		**695,003**	**-892**	**694,111**
TOTAL ASSETS		**1,485,302**	**2,740**	**1,488,042**
Equity				
Share capital		4,729	-	4,729
Other contributed capital		888,736	-	888,736
Translation reserve		8,853	-	8,853
Profit/loss brought forward, including profit/loss for the year		1,313	138	1,451
Holdings with a non-controlling interest		34,885	-	34,885
Total equity		**938,516**	**138**	**938,654**
Non-current liabilities				
Liabilities to credit institutions		44,610	-	44,610
Deferred tax liability		9,924	-	9,924
Other financial liabilities		26,197	128,635	154,832
Long-term lease liabilities	14	-	23,770	23,770
Other provisions		143,968	-140,346	3,622
Total non-current liabilities		**224,699**	**12,058**	**236,757**
Current liabilities				
Accounts payable		82,430	-	82,430
Current tax liabilities	14	7,102	-	7,102
Short-term lease liabilities		-	12,902	12,902
Liabilities to credit institutions		22,359	-	22,359
Overdraft facilities		16,215	-	16,215
Other liabilities		94,218	-22,359	71,859
Invoiced, not accrued income		32,163	-	32,163
Accrued expenses and deferred income		67,600	-	67,600
Total current liabilities		**322,087**	**-9,457**	**312,630**
TOTAL LIABILITIES AND EQUITY		**1,485,302**	**2,740**	**1,488,042**

Consolidated income statement

October – December 2022

AMOUNT IN SEK THOUSAND	NOTE	According to Q4 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		732,403	13	732,416
Other operating income		72,213	-13	72,200
Raw materials, consumables and goods for resale	10	-489,996	-2,932	-492,928
Other external expenses	10, 12, 14	-70,676	7,499	-63,177
Employee benefit costs		-147,142	-	-147,142
Depreciation/amortisation and impairment	11, 12, 14	-29,182	17,389	-11,793
Operating profit/loss		67,620	**21,957**	89,577
Profit from participations in associated companies	15	-121,313	-	-121,313
Financial income	10	1,033	2,882	3,915
Financial expenses	10, 12, 14	-6,153	-17,981	-24,134
Profit/loss after financial items		-58,813	**6,857**	-51,956
Tax on profit for the year	12, 14	-8,603	882	-7,721
PROFIT/LOSS FOR THE YEAR		-67,416	**7,740**	-59,676
Attributable to:				
Parent company's shareholders		-67,835	9,502	-58,333
Holdings with a non-controlling interest		419	-1,762	-1,343
Consolidated statement of comprehensive income				
Profit/loss for the year		-67,416	**7,740**	-59,676
Items that will be reclassified in the income statement				
Exchange rate differences on the translation of foreign operations	11	-	5,198	5,198
Other comprehensive income for the year		0	**5,198**	5,198
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-67,416	**12,938**	-54,478

Group income statement

January – December 2022

AMOUNT IN SEK THOUSAND	NOTE	According to AR 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		1,931,412	-	1,931,412
Other operating income		70,089	-	70,089
Raw materials, consumables and goods for resale	10	-1,334,288	-2,932	-1,337,220
Other external expenses	10, 12, 14	-203,182	17,546	-185,636
Employee benefit costs		-498,482	-	-498,482
Depreciation/amortisation and impairment	11, 12, 14	-97,735	55,320	-42,415
Operating profit/loss		-132,186	**69,934**	-62,252
Profit from participations in associated companies	15	-114,099	-	-114,099
Financial income	10	4,448	385	4,833
Financial expenses	10, 12, 14	-15,859	-26,448	-42,307
Profit/loss after financial items		-257,696	**43,871**	-213,825
Tax on profit for the year	12, 14	-12,155	1,787	-10,368
PROFIT/LOSS FOR THE YEAR		**-269,851**	**45,659**	**-224,192**
Attributable to:				
Parent company's shareholders		-263,024	45,662	-217,362
Holdings with a non-controlling interest		-6,827	-3	-6,830
Consolidated statement of comprehensive income				
Profit/loss for the year		-269,851	45,659	-224,192
Items that will be reclassified in the income statement				
Exchange rate differences on the translation of foreign operations	11	39,243	*-519*	*38,723*
Other comprehensive income for the year		39,243	**-519**	38,723
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-230,608**	**45,139**	**-185,469**

Consolidated balance sheet

31/12/2022

AMOUNT IN SEK THOUSAND	NOTE	According to AR 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Goodwill	11	934,955	-60,554	874,401
Other intangible assets	12	1,169	138,261	139,430
Property, plant and equipment	10	130,461	-28,639	101,822
Right-of-use assets	10, 14	-	93,957	93,957
Participations in associated companies		213,148	-	213,148
Other long-term receivables		5,196	-	5,196
Deferred tax asset	14	146	144	290
Total non-current assets		1,285,075	**143,168**	1,428,243
Inventories		240,766	-	240,766
Accrued, not invoiced income		107,773	-	107,773
Accounts receivable		316,754	-	316,754
Receivables from associated companies		28,377	-	28,377
Current tax receivables		9,212	-	9,212
Other receivables		29,665	53	29,718
Prepaid expenses and accrued income	14	38,620	-1,849	36,771
Cash and cash equivalents		275,351	-53	275,298
Total current assets		1,046,518	**-1,849**	1,044,669
TOTAL ASSETS		2,331,593	**141,319**	2,472,912
Share capital		6,482	-	6,482
Other contributed capital		1,327,412	-	1,327,412
Translation reserve	11	44,052	3,524	47,576
Profit/loss brought forward, including profit/loss for the year	11, 12, 14	-261,711	43,751	-217,960
Holdings with a non-controlling interest		10,996	211	11,207
Total equity		1,127,231	**47,485**	1,174,716
Liabilities to credit institutions	10	45,976	-13,125	32,851
Deferred tax liability	12	10,718	33,554	44,272
Other financial liabilities	10, 12	223,821	219,229	443,050
Long-term lease liabilities	14	-	58,124	58,124
Other provisions	10, 12	231,163	-223,074	8,089
Total non-current liabilities		511,678	**74,709**	586,387
Accounts payable		214,856	-	214,856
Current tax liabilities		7,363	-	7,363
Short-term lease liabilities	10, 14	-	30,362	30,362
Liabilities to credit institutions	10	76,833	-11,237	65,596
Overdraft facilities		26,721	-	26,721
Other liabilities		194,770	-	194,770
Invoiced, not accrued income		81,471	-	81,471
Accrued expenses and deferred income		90,670	-	90,670
Total current liabilities		692,684	**19,125**	711,809
TOTAL LIABILITIES AND EQUITY		2,331,593	**141,319**	2,472,912

Parent company income statement

October – December 2022

AMOUNT IN SEK THOUSAND	NOTE	According to Q3 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		13,287	-	13,287
Other external expenses		-11,935	-	-11,935
Employee benefit costs		-5,556	-	-5,556
Depreciation/amortisation and impairment		-43	-	-43
Operating profit/loss		-4,247	0	-4,247
Profit from participations in associated companies				-
Profit/loss from participations in subsidiaries		-17,257	-	-17,257
Financial income		2,179	-	2,179
Financial expenses	12	-5,082	-4,400	-9,482
Profit/loss before tax		-24,407	-4,400	-28,807
Group contributions		-37,192	-	-37,192
Profit/loss for the period*		-61,599	-4,400	-65,999

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

Parent company income statement

January – December 2022

AMOUNT IN SEK THOUSANDS	NOTE	According to Q3 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Net sales		36,316	-	36,316
Other operating income		130	-	130
Other external expenses		-40,406	-	-40,406
Employee benefit costs		-26,221	-	-26,221
Depreciation/amortisation and impairment		-111	-	-111
Operating profit/loss		-30,292	0	-30,292
Profit/loss from participations in subsidiaries		-83,536	-	-83,536
Financial income		6,134	-	6,134
Financial expenses	12	-8,310	-6,400	-14,710
Profit/loss before tax		-116,004	-6,400	-122,404
Group contributions		-37,192	-	-37,192
Profit/loss for the period*		-153,196	-6,400	-159,596

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

Parent company condensed balance sheet

31/12/2022

AMOUNT IN SEK THOUSANDS	NOTE	According to AR 2022 prepared according to K3	Adjustments on transition to IFRS	On application of IFRS
Machinery and equipment		677	-	677
Shares in subsidiaries	12	1,044,231	-17,218	1,027,013
Participations in associated companies		123,125	-	123,125
Receivables from Group companies		79,861	-	79,861
Long-term receivables associated companies		28,377	-	28,377
Other long-term receivables		459	-	459
Total non-current assets		1,276,730	-17,218	1,259,512
Receivables from Group companies		40,560		40,560
Other receivables		2,763	-	2,763
Prepaid expenses and accrued income		5,817	-	5,817
Cash and bank balances		179,243	-	179,243
Total current assets		228,383	0	228,383
TOTAL ASSETS		1,505,113	-17,218	1,487,895
Equity				
Restricted equity				
Share capital		6,482	-	6,482
Non-restricted equity				
Share premium reserve		1,538,738	-	1,538,738
Retained profit		-282,003	-	-282,003
Profit/loss for the period		-153,196	-6,400	-159,596
Total equity		1,110,021	-6,400	1,103,621
Other provisions		223,374	-10,818	212,556
Total non-current liabilities		223,374	-10,818	212,556
Accounts payable		4,664	-	4,664
Liabilities to Group companies		62,081	-	62,081
Current tax liabilities		557	-	557
Other liabilities		97,962	-	97,962
Accrued expenses and deferred income		6,454	-	6,454
Total current liabilities		171,718	-	171,718
TOTAL EQUITY AND LIABILITIES		1,505,113	-17,218	1,487,895

10. RECLASSIFICATIONS

In connection with the transition to IFRS, the following reclassifications of right-of-use assets and lease liabilities have been specified on separate lines in the balance sheet. As at 31 December 2022, SEK 28.6 million was allocated from Tangible fixed assets to Right-of-use assets and a new asset of SEK 65.4 million was raised – the total value of Right-of-use assets was SEK 94 million. At the same time, SEK 13.1 million was allocated from Liabilities to credit institutions to Long-term lease liabilities and a new long-term debt of SEK 45 million was raised, totalling SEK 58.1 million. At the same time, SEK 11.2 million was allocated from Liabilities to credit institutions to Current lease liabilities and a new lease liability of SEK 19.2 million was raised, totalling SEK 30.4 million. Other reclassifications in 2022 include reclassification from Raw materials to Other external costs of SEK 2.9 million. In connection with the transition to IFRS, the Provision for contingent consideration, totalling SEK 212.3 million, has been classified as Other financial liabilities. An additional reclassification regarding option liability of SEK 7.8 million has occurred between the line item Liabilities to credit institutions and Other financial liabilities. There has also been a reclassification between financial income and expenses of SEK 0.4 million.

11. RECOGNITION OF GOODWILL REVERSAL OF PREVIOUS AMORTISATION

Under IFRS, the item Goodwill is an intangible asset with an indefinite useful life, which differs from K3 where goodwill is subject to amortisation based on an estimated useful life of 10 years. The transition to IFRS therefore results in the amortisation of Goodwill in 2022 being reversed and recognised as an increase in the profit/loss. The transition to IFRS entails a reduced amortisation of Goodwill of SEK 72.6 million for 2022 for the Group as well as a reduced amortisation of Goodwill in subsidiaries of SEK 0.5 million and a currency translation difference of SEK 0.5 million. This increases profit before tax by a corresponding amount and a corresponding increase in retained earnings in equity as at 31 December 2022. An allocation from Goodwill to other intangible assets has been made with an amount of SEK 133.6 million, which together with the reversal of amortisation gives a total effect of SEK -60.5 million for the goodwill item as at 31 December 2022.

12. ADJUSTMENTS TO ACQUISITION ANALYSES

EXPENSING OF TRANSACTION COSTS RELATED TO BUSINESS COMBINATIONS

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

IDENTIFICATION AND MEASUREMENT OF ASSETS IN BUSINESS COMBINATIONS

When businesses are acquired, the difference between the consideration transferred and the identified net assets is allocated to goodwill. Since IFRS imposes higher requirements on the identification of assets, management has performed an updated assessment of identified assets in business combinations that occurred after the date of transition to IFRS. In the updated acquisition analyses, customer relationships and trademarks have been identified and the estimated fair value of these assets is recognised separately from goodwill. The useful life of customer relationships has been estimated at 5 years. For trademarks, the useful life is considered to be indefinite. As at 31 December 2022, the carrying amount for customer relationships and trademarks in the balance sheet amounts to SEK 76.5 million and SEK 61.8 million respectively, a total SEK 138.3 million, and the year's amortisation of customer relationships in the income statement for the full year 2022 amounts to SEK -7.6 million.

Soltech also reports a deferred tax liability in the balance sheet as at 31 December 2022 regarding temporary differences relating to customer relations of SEK 18.6 million and trademarks of SEK 15 million, a total of SEK 33.6 million. The recognised deferred tax liability is reduced in line with the reduction in the carrying amount of customer relationships and trademarks through amortisation and impairment. The decrease in deferred tax liability is recognised in the income statement on the Income tax line. Expensed deferred tax in 2022 amounts to SEK 1.9 million.

VALUATION OF CONTINGENT CONSIDERATION

In applying IFRS, the measurement of contingent consideration and option premiums from call options recognises the time value of money. In applying K3, recognised liabilities for contingent consideration and option premiums have not been calculated at present value. In the transition to IFRS, Soltech has calculated the present value of liabilities for contingent considerations and option premiums on call options. This means that the recognised value of the option liability has increased by SEK 7 million, and lines Other financial liabilities and Other provisions have decreased by SEK 10.8 million relating to contingent considerations. An interest expense corresponding to the discounting effect for revaluation of these liabilities of SEK 24.5 million was recognised in 2022.

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

13. VALUATION IFRS 9

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

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

14. RECOGNITION OF LEASES

IFRS 16 means that Soltech recognises leases that meet the definition in IFRS 16 in the balance sheet as a right-of-use asset and the present value of future lease payments as a financial liability. Soltech primarily has leasing agreements for office space, machinery and cars. Based on Soltech's application of the transition rules, a right-of-use asset of SEK 40.9 million, a reduced prepaid cost of SEK -0.9 million and a financial liability of SEK 36.7 million corresponding to the present value of future minimum lease payments at the time of the transition to IFRS on 1 January 2022 have been recognised. There has been no material impact on the Group's recognised equity at the date of transition to IFRS.

As at 31 December 2022, the transition to IFRS 16 means that Soltech recognises in the balance sheet a right-of-use asset of SEK 94 million, a deferred tax asset of SEK 0.1 million, a reduced prepaid cost of SEK -1.8 million, a long-term lease liability of SEK 58.1 million and a short-term lease liability of SEK 30.4 million.

In the income statement for 2022, Soltech reports an increased depreciation of rights of use of SEK 16.6 million compared to Q3, reduced other external costs of SEK 17.8 million, interest expenses on lease liabilities of SEK 1.6 million and expensed deferred tax of SEK 0.1 million.

Soltech recognises a deferred tax asset linked to lease liabilities and a deferred tax liability linked to right-of-use assets. In the balance sheet, Soltech has recognised net deferred tax assets and deferred tax liabilities relating to leases and recognises a deferred tax asset totalling SEK 0.1 million in the 2022 annual accounts.

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

As a result of the partial divestment and listing of Gigasun (formerly Advanced Soltech), Soltech can no longer have a controlling interest in Gigasun. Furthermore, Gigasun operates independently from Soltech with its own management function, governance and responsibility for the business model and development of the business. Based on this, it is Soltech's assessment that Gigasun does not constitute an integrated part of the Group and therefore the results of associated companies are recognised after operating profit. For the period January to September 2022, this means that operating profit decreases by SEK 7.2 million, while net financial items are affected by a corresponding amount, the corresponding amount for the interim period July to September 2022 was SEK 4.6 million. For the full year 2022, the amount amounted to SEK -114.1 million and net financial items are reduced by the corresponding amount. The change has no impact on recognised tax.

16. FINANCIAL MEASURES NOT DEFINED UNDER IFRS AND DEFINITIONS

The company presents certain financial measures in the interim report that are not defined under IFRS. The company believes that these measures provide valuable supplemental information to investors and the company's management by enabling the assessment of the relevant trends. Soltech's definitions of these measures may differ from other companies' definitions of the same concepts. These financial measures should therefore be seen as a complement rather than a substitute for measures defined under IFRS. A selection of definitions of non-IFRS measures not defined under IFRS and not mentioned elsewhere in the interim report is presented below. The reconciliation of these measures is shown in the table below.
For definitions of selected key ratios, see » page 34.

PERFORMANCE AND MARGIN MEASURES (Amounts in SEK thousands unless otherwise indicated)	**Q 4 2023**	**Q4 2022**	**2023**	**2022**
(A) Net sales	740,577	732,416	2,904,405	1,931,412
Operating profit/loss (EBIT)	30,112	89,577	51,992	-62,252
Depreciation/amortisation and impairment	28,021	11,793	76,497	42,415
(B) EBITDA	**58,133**	**101,369**	**128,489**	**-19,837**
Depreciation, amortisation and impairment of tangible and intangible, non-acquired fixed assets	-16,658	-5,908	-53,090	-32,688
(C) EBITA	**41,475**	**95,461**	**75,399**	**-52,525**
Depreciation, amortisation and impairment of acquired tangible and intangible fixed assets	-11,363	-5,884	-23,407	-9,727
(D) Earnings before interest and tax (EBIT)	**30,112**	**89,577**	**51,992**	**-62,252**
(B/A) EBITDA margin	7.8%	13.8%	4.4%	-1.0%
(C/A) EBITA margin	5.6%	13.0%	2.6%	-2.7%
(D/A) EBIT margin	4.1%	12.2%	1.8%	-3.2%
Derivation of adjusted profit/loss and margin measures				
(B) EBITDA	**58,133**	**101,369**	**128,489**	**-19,837**
Effect of deconsolidation of group of companies	-	-49,400	-	11,000
(E) Adjusted EBITDA	**58,133**	**51,969**	**128,489**	**-8,837**
(C) EBITA	**41,475**	**95,461**	**75,399**	**-52,525**
Effect of deconsolidation of group of companies	-	-49,400	-	11,000
(F) Adjusted EBITA	**41,475**	**46,061**	**75,399**	**-41,525**
(D) Earnings before interest and tax (EBIT)	**30,112**	**89,577**	**51,992**	**-62,252**
Effect of deconsolidation of group of companies	-	-49,400	-	11,000
(G) Adjusted earnings before interest and tax (EBIT)	**30,112**	**40,177**	**51,992**	**-51,252**
(E/A) Adjusted EBITDA margin	7.8%	7.1%	4.4%	-0.5%
(F/A) Adjusted EBITA margin	5.6%	6.3%	2.6%	-2.1%
(G/A) Adjusted EBIT margin	4.1%	5.5%	1.8%	-2.7%

KEY RATIOS	DEFINITION/CALCULATION	AIM
EBITDA	Earnings before interest and tax (EBIT) before depreciation, amortisation and impairment of acquired tangible and intangible fixed assets as well as depreciation, amortisation and impairment of tangible and intangible fixed assets.	EBITDA together with EBITA gives an overall picture of profit generated from operating activities.
EBITDA MARGIN	Earnings before interest and tax (EBIT) before depreciation, amortisation and impairment of acquired tangible and intangible fixed assets as well as depreciation, amortisation and impairment of tangible and intangible fixed assets, as a percentage of net sales.	The EBITDA margin is used to measure operational profitability.
EBITA	Earnings before interest and tax (EBIT) before depreciation, amortisation and impairment of acquired tangible and intangible fixed assets.	EBITA provides an overall picture of profit generated from operating activities.
EBITA MARGIN	Earnings before interest and tax (EBIT) before depreciation, amortisation and impairment of acquired tangible and intangible fixed assets as a percentage of net sales.	The EBITA margin is used to measure operational profitability.
EARNINGS BEFORE INTEREST AND TAX (EBIT)	Earnings before interest and taxes.	EBIT provides an overall picture of profit generated from operating activities.
EBIT MARGIN	Earnings before interest and taxes, as a percentage of net sales.	The EBIT margin is used to measure operational profitability.
ADJUSTED EBITDA, EBITA AND EBIT	EBITDA, EBITA and EBIT adjusted for items affecting comparability.	The adjustment of items affecting comparability is made to facilitate a fair comparison between two comparable time periods and to show the underlying development in the operating activities excluding items affecting comparability.
SALES TREND	Change in net sales as a percentage of net sales in the comparison period, previous year.	Changes in net sales reflect the Group's realised sales growth over time.
ORGANIC GROWTH ADJUSTED FOR FX	Change in net sales in comparable units after adjusting for acquisition and currency effects, as a percentage of net sales in the comparison period.	Organic net sales growth excludes the effects of changes in the Group's structure and exchange rates, allowing for a comparison of net sales over time.
EQUITY RATIO	Equity including non-controlling interests, expressed as a percentage of total assets.	The equity ratio is used to show the proportion of assets that are financed by equity.
EARNINGS PER SHARE BEFORE DILUTION	Profit/loss for the period in SEK attributable to the parent company's shareholders in relation to the weighted average number of shares before dilution.	Earnings per share before dilution.
EARNINGS PER SHARE AFTER DILUTION	Profit/loss for the period in SEK attributable to the parent company's shareholders in relation to the weighted average number of shares before dilution plus the weighted average number of shares that can be added as a result of outstanding options, provided that the exercise price for these is within the current listing price.	Earnings per share after dilution.

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

STOCKHOLM, 22 FEBRUARY 2024

Mats Holmfeldt Chairman of the Board	**Stefan Ölander** Board member and CEO	**Hellen Wohlin Lidgard** Board member
Vivianne Holm Board member	**Göran Starkebo** Board member	**Johan Thiel** Board member

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FUTURE REPORTING DATES:

Interim report first quarter	**15** May 2024
Annual General Meeting	**21** May 2024
Interim report second quarter	**27** August 2024
Interim report third quarter	**20** November 2024

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UNIQUE COLLABORATION PRODUCES NEW SOLAR PARK WITH POWER PURCHASE AGREEMENT (PPA)

Axpo, Egmont and Soltech Energy Solutions sign a PPA for a new solar plant near Falkenberg. The parties have jointly signed a seven-year energy trading agreement for the construction of an 11 MW solar park, developed by Soltech Energy Solutions, which will annually supply renewable electricity to the grid, corresponding to approximately 1,200 households in the Nordic region.

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