



Soltech

Now we have specialist expertise in electric car charging projects for both companies and consumers. We welcome E-Mobility, our first company dedicated to electric car charging, to the Soltech family.

INTERIM REPORT

1 JULY – 30 SEPTEMBER 2022

SOLTECH ENERGY SWEDEN AB (publ)

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

Soltech's subsidiary Fasadsystem has signed a contract with Berners bilhall in Östersund for a 160-square-metre mocha-brown solar cell facade.

Photo: SWECO ARCHITECTS// H.ALDEFELT

44% ORGANIC GROWTH

SUMMARY OF THIRD QUARTER

- The Group's revenue for the quarter was SEK 482.5 (267.2) million, an increase of 81%. The Group's revenue, adjusted for Advanced Soltech*, was SEK 482.5 (220.1) million, an increase of 119%.
- The Group's organic growth was 44% (39%), driven by high demand for solar energy solutions.
- The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) was SEK -55.3 (29.3) million. The Group's EBITDA, adjusted for Advanced Soltech*, was SEK -59.9 (-6.9) million. EBITDA was positively affected by the earnings from participations in associated companies by SEK 4.6 million. EBITDA has been negatively affected by the impact on profits from the Neab Group of SEK -44.5 million and has also been affected by current component shortages and price increases for construction components. The price increases primarily affect fixed-price projects that were accepted before price levels started to rise. During the quarter, the Group also invested in new acquisitions and existing subsidiaries, which increased costs.
- The Group's earnings before interest and tax (EBIT) was SEK -84.8 (4.6) million. Adjusted for Advanced Soltech*, EBIT was SEK -89.4 (-18.2) million. EBIT was, in addition to the effects mentioned above on EBITDA, affected by increased depreciation as a result of acquisitions.
- Profit/loss after tax for the period was SEK -91.1 (-10.6) million.
- Cash flow from operating activities for the period was SEK -33.3 (-116.9) million and has been affected by investments in existing operations and increased stock levels to safeguard deliveries to existing projects.
- Consolidated cash flow for the period was SEK -98.6 (399.6) million. Similar to the previous year, cash flow has been affected by the new issue completed in the quarter of SEK 186 million (SEK 84 million has been added after the end of the reporting period).
- Earnings per share was -0.90 (-0.19).
- During the quarter, Neab Group contributed with a total revenue of SEK -4.7 million and an EBIT of SEK -33.5 million. In addition to this, the decided bankruptcy led to non-recurring costs of SEK -11 million, which meant that the total impact on profits from Neab Group and related costs was SEK -44.5 million in the quarter.
- The war in Ukraine is having an indirect effect on the Group's costs and price trend for the components that are required for the manufacture of solar cell plants, roof systems, electrical installations and facades. Soltech is not operating in/or with Russia nor Ukraine.

NINE MONTHS SUMMARY

- The Group's revenue was SEK 1,207 (674) million, which is an increase of 79%. Adjusted for Advanced Soltech, revenue was SEK 1,207 (554.3) million, an increase of 118%.
- The Group's organic growth was 39% (42%), primarily driven by high demand for solar energy solutions.
- The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) was SEK -124 (50.3) million. The Group's EBITDA, adjusted for Advanced Soltech*, was SEK -131.2 (-38) million. EBITDA was positively affected by the earnings from participations in associated companies by SEK 7.2 million.

* Advanced Soltech Sweden AB (ASAB) was separately listed on the Nasdaq First North Growth Market on 29 October 2021 and then deconsolidated from the Group which affects the comparative figures for 2021.

EBITDA has been negatively affected by the impact on profits from Neab Group of SEK -71.6 million and has also been adversely affected by the previously mentioned price increases for components. During the year, the Group also continued to invest in new acquisitions and existing subsidiaries, which increased costs.

- The Group's earnings before interest and tax (EBIT) was SEK -192.6 (-15.6) million. Adjusted for Advanced Soltech *, EBIT was SEK -199.8 (-67.1) million and was, in addition to the effects mentioned above on EBITDA, affected by increased amortisation of goodwill as a result of acquisitions.
- Profit/loss after tax for the period was SEK -202.4 (-60.6) million.
- Cash flow from operating activities for the period was SEK -146.5 (-72.7) million.
- Consolidated cash flow for the period was SEK -87.5 (-272.3) million.
- Earnings per share was -1.88 (-0.43).
- During 2022, Neab Group contributed with a total revenue of SEK 28.1 million and an EBIT of SEK -60.6 million. In addition to this, the decided bankruptcy led to non-recurring costs of SEK -11 million, which meant that the total impact on profits from Neab Group and related costs was SEK -71.6 million.

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

Key events in subsidiaries:

- The subsidiary Rams El has signed two new contracts for electrical installations for schools in Gothenburg. The value of the order for both new projects amounts to SEK 21 million.
- The subsidiary ESSA has been commissioned by the property company Örebroporten Fastigheter AB to carry out a facade contract for Stadsbyggnads-huset, where some of the facade will consist of construction-integrated solar cells. The whole facade is expected to be commissioned in spring 2023 and the value of the order amounts to approximately SEK 23.6 million.
- The subsidiary Soltech Energy Solutions has signed an agreement with the municipal energy company Varberg Energi for a large battery park in Varberg that will help to stabilise the electricity grid and optimise power output. The total investment for the battery park amounts to close to SEK 100 million.

- A long-term electricity trading agreement has been concluded between the municipal energy company Nybro Energi and Soltech Energy Solutions. The agreement includes PPA solutions (power purchase agreements) for large-scale solar installations.

Acquisitions:

- On July 1, Soltech acquired 100% of the shares in TG:s El i Finspång AB as well as the wholly owned subsidiary Smart Solkraft.
- On September 1, Soltech acquired 80% of the shares in Kalema E-Mobility AB (E-Mobility), which is consolidated by the same date. The acquisition is Soltech's first company solely for electric car charging. The company has specialist expertise in electric car charging projects for companies and individuals, as well as in solar energy services.
- On September 21, Soltech acquired 100% of the shares in Takab i Jönköping AB (TAKAB) which is consolidated by October 3. TAKAB employs around 30 people, who work from the company's headquarters in Jönköping.

International acquisitions:

- On June 22, Soltech acquired 65% of the shares in the Spanish solar energy company Sud Energies Renovables SL, which is consolidated by July 5. This establishes the Group in the rapidly growing Spanish solar energy market. The acquisition is financed entirely with own funds and with newly issued Soltech shares.

Other:

- The Board of Soltech Energy AB (publ) decided, with the support of the authorisation of the general meeting, to carry out a new share issue of approximately SEK 228 million with preferential rights for existing shareholders and possible over-allocation. The preferential rights issue was oversubscribed and the Company received approximately SEK 270 million before issue costs.

KEY EVENTS AFTER THE REPORTING PERIOD

- On October 14, Neab Group filed for bankruptcy. At the time of the acquisition, Neab Group was a clear turn-around case that Soltech worked actively with. The overall assessment for the basis of the decision is that Neab Group will be financially insolvent for a long time to come and therefore it is not possible to continue the business. Trustees were appointed on October 14 and from this date Soltech no longer has a controlling influence over the company. This means

that from this date Neab Group will not be consolidated and because of that have no financial impact from 2023 onwards.

- Neab Group contributed revenues of SEK -4.7 million and EBIT of SEK -33.5 million in the third quarter, and revenues of SEK 28.1 million and EBIT of SEK -71.6 million in the first nine months of the year. This includes restructuring costs of SEK 11 million as a result of the bankruptcy. During the past 12 months, Soltech has worked actively to turn Neab Group's financial situation around by way of the addition of both capital and personnel resources. As a result of the deconsolidation, during the fourth quarter, Soltech will have operating revenues not affecting cash flow preliminarily estimated to be SEK 49 million. Soltech does not expect any further effects or costs from Neab Group in the coming quarters.
- The subsidiary Soltech Energy Solutions has signed an agreement for a roof-mounted solar cell installation that will measure approximately 9,400 square metres and consist of 3,624 solar panels. Once complete, the array will have an installed output of 1,975 kWp and will provide electricity sufficient for 30% of the property's electricity needs. The solar array is expected to be commissioned in the spring of 2023.
- On 28 October, Soltech Energy Sweden AB acquired 20% of the shares in the subsidiary Takrekond i Småland AB, and took possession on the same day. Soltech Energy now owns 100% of the company and the acquisition of the remaining shares in the company is part of efforts to continue strengthening Takrekond's transformation towards becoming a solar roofing company.

SELECTED KEY RATIOS*

Amount in SEKt	GROUP					PARENT COMPANY				
	Q3 2022	Q3 2021	JAN.-SEP. 2022	JAN.-SEP. 2021	JAN.-DEC. 2021	Q3 2022	Q3 2021	JAN.-SEP. 2022	JAN.-SEP. 2021	JAN.-DEC. 2021
1. Operating income, SEK thousand	482,504	267,248	1,206,953	674,018	1,239,829	7,860	4,660	23,159	10,834	16,106
2. Sales trend**	81%	110%	79%	101%	148%	69%	351%	114%	126%	105%
3. Gross profit margin	25%	48%	30%	49%	60%	100%	109%	100%	92%	94%
4. Operating profit/loss (EBIT), SEK thousand	-84,779	4,550	-192,592	-15,552	150,715	-18,684	-6,195	-36,045	-21,082	-38,917
5. Operating profit/loss (EBITDA), SEK thousand	-55,328	29,310	-124,039	50,291	317,577	-18,642	-6,193	-35,977	-21,074	-38,905
Capital structure										
6. Equity ratio	48%	41%	48%	41%	63%	77%	86%	77%	86%	80%
Data per share										
7. Outstanding number of shares	103,785,041	94,536,561	103,785,041	94,536,561	94,581,000	103,785,041	94,536,561	103,785,041	94,536,561	94,581,000
8. Average number of shares	102,375,007	83,444,751	98,883,555	76,802,850	80,358,480	102,375,007	83,444,751	98,883,555	76,802,850	80,358,480
9. Number of shares after dilution ¹	103,785,041	94,536,561	103,785,041	94,536,561	94,581,000	103,785,041	94,536,561	103,785,041	94,536,561	94,581,000
10. Earnings per share, SEK	-0.90	-0.19	-1.88	-0.43	0.86	-0.67	-0.11	-0.88	-0.29	-1.41
11. Earnings per share after dilution	-0.90	-0.19	-1.88	-0.43	0.86	-0.67	-0.11	-0.88	-0.29	-1.41
12. Dividend per share	-	-	-	-	-	-	-	-	-	-
13. Equity per share	11.10	8.10	11.10	8.10	9.92	11.13	9.76	11.13	9.76	8.63
14. Equity per share after dilution ¹	11.10	8.10	11.10	8.10	9.92	11.13	9.76	11.13	9.76	8.63

* Soltech Energy Sweden AB's subsidiary Advanced Soltech Sweden AB (ASAB) was separately listed on the Nasdaq First North Growth Market on 29 October 2021 and then deconsolidated from the Group. The comparative figures have not been recalculated in this regard.

** Revenue trend excluding ASAB 119% in Q3, 118% for the first nine months of the year.

CEO STATEMENT

Soltech's third quarter 2022 shows impressive organic growth of 44 per cent, which I am very proud of. We don't just acquire companies, but we help them to develop and grow within the Soltech family. We achieved SEK 482.5 million in revenue, which corresponds to 119 per cent growth, adjusted for Advanced Soltech. However, we still have negative figures in terms of our profit, which is something that we are placing considerable emphasis on reversing.

FIXED-PRICE PROJECTS ARE AFFECTING PROFITS

During the quarter, inflation hit with full force, with large price increases for input goods as a result. Many of our operating companies ended up in a situation where price increases could not always be passed onto the customer, leading to reduced profitability in our projects which, in some cases, even returned a loss. These fixed-price projects are now gradually disappearing from the order books and we have changed our processes and added resources to be better at handling similar situations in the future.

FOCUS ON PROFITABILITY MEANT TOUGH DECISIONS

The whole of Soltech is now increasingly switching its focus to profitability. On 14 October, this resulted in us deciding to shut down Neab Group. When we made the acquisition in October 2021, we knew it would be a tough turn-around case and the purchase price was therefore basically negligible. Unfortunately, the company could not be saved and the decision was ultimately not to spend any more money. Going forwards, this company will have no impact on the Group's earnings. Soltech had not acquired any turn-around cases before this, and will not do so in the future either.

SOLAR ENERGY PROJECTS MAKE UP FOR ECONOMIC DOWNTURN

It's no secret that interest rates and inflation have risen sharply this autumn at the same time as new construction projects are on the way down. This can of course affect our companies in roofing, electrical engineering, and facades. The positive thing about our broad service portfolio is that our companies within areas like roofing



can now also sell solar energy to their customers. We're getting more and more evidence that it's a very good idea to acquire skills and business opportunities through traditional companies and now also that solar energy is not only an addition to their business operations, but also a replacement as their traditional business starts to slow down.

SYNERGY EFFECTS MUST BE LEVERAGED


Soltech is not a company with low or non-existent revenues. We will soon exceed SEK 2 billion in revenues, and there are great opportunities for us to improve profitability via synergy effects from this large revenue mass, not least purchasing synergies between the companies, which will be an even greater focus going forwards.

SOLAR ENERGY AND SOLTECH ARE A BIG PART OF THE FUTURE

Today, 18 November, COP27 draws to a close in Egypt. The alarming reports about the state of the world in terms of the climate crisis have come in thick and fast, and the countries of the world will today hopefully come up with a concrete list of measures. But one thing is certain, solar energy is a big part of the future and Soltech has positioned itself correctly to take a good part of the market in Sweden, the Netherlands, and Spain.

We look forward to your company on our journey.

Stefan Ölander
Chief Executive Officer



Parking garage in Mölnlycke Fabriker. Approximately 1,500 integrated solar panels that produce energy for the garage's lighting and charging points for electric cars, while also generating renewable energy for the grid.

SOLTECH'S OPERATIONS

Soltech Energy's origins lie in an innovation that was conceived at the KTH Royal Institute of Technology at the start of the 2000s. Since then, the company has developed, sold and installed solar energy solutions for property owners, landowners and individuals, as well as for agriculture and community development projects. In 2019 Soltech decided on a new strategy and embarked on an acquisition and growth journey to speed up the green transition.

Soltech is a turnkey supplier with market-leading competence in solar technology and green energy solutions. The Group's overall goal is to integrate solar into the everyday, and we are working to contribute to the green transition while also creating value for our shareholders, who number around 76,000.

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

By taking responsibility for the entire value chain, from innovation and development to installation and service, all types of properties can be converted into efficient energy producers with our help. Many customers also request large-scale external solar energy solutions for

roofs, not least within the commercial sector, and therefore we often design large-scale solutions within the Group's companies.

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

AN ACQUISITION JOURNEY THAT'S CHANGING SOCIETY

We have an offensive acquisition and growth strategy that includes the acquisition of companies in the solar, roofing, electrical engineering and facade industries, both nationally and internationally.

In addition to new business opportunities, the acquisition strategy also creates synergy effects for existing subsidiaries, our customers and shareholders and, not least, for the climate. Acquiring prosperous companies with strong local ties makes us an entrepreneurial group with interdisciplinary competences where everyone is needed, contributes and creates value.

On 1 April, Soltech took the plunge and made its first international acquisition, of the Dutch solar energy company 365 Energie Holding B.V. (365zon).

Shortly afterwards, on 22 June, it acquired the Spanish solar energy company Sud Renovables SL (Sud Renovables). This has established the Group in the growing European solar energy market. Soltech is currently represented by subsidiaries in Sweden, the Netherlands and Spain. By transforming companies in traditional industries, we also become a force for societal change. We transform companies into companies of the future with solar energy as a platform. Adding solar energy to the acquired companies' product offering future-proofs the businesses and meets customers' changed demands and needs for solar energy solutions.

Through company acquisitions, Soltech has welcomed many committed contractors and their employees who, with their various core competencies, open new doors for each other. Our various competencies mean that, together, we can offer the market overall solutions, and it is not uncommon for several of our subsidiaries to collaborate on projects. To continue growing, efforts are ongoing to identify additional companies, while we grow organically and invest in existing companies, all in aid of building a strong solar energy group that makes a difference and integrates solar into the everyday lives of more people.

SOLTECH'S SEGMENTS

Soltech's operations are divided into four segments based on service provision. These segments are solar, facades, roofs, and electrical engineering.

Solar companies

The Soltech Group encompasses the solar companies 365zon, Measol, Soldags, Soltech Energy Solutions and SUD Renovables. The companies deliver solar energy solutions and conduct operations relating to the design and installation of solar panel systems, charging, batteries and other energy-optimising services.

Solar facade companies

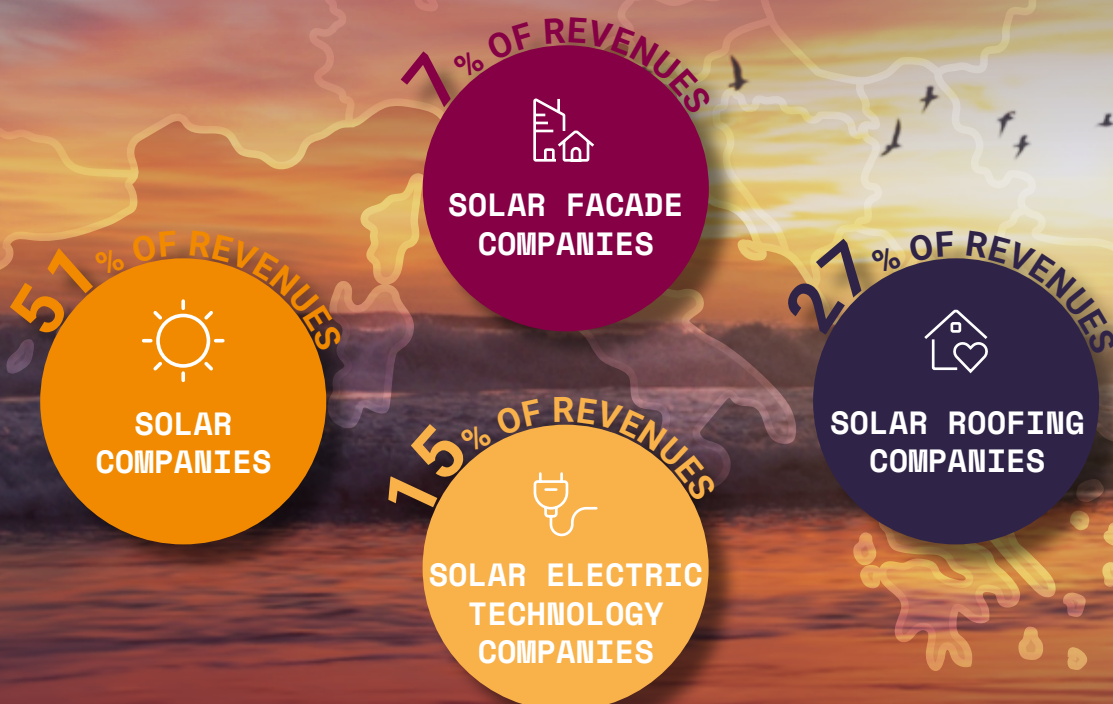
Fasadsystem and Essa Glas & Aluminium are the Group's two solar facade companies. The companies provide exterior and interior glass and aluminium facades and develop solar energy solutions for integrated solar panels.

Solar technology companies

The Group's solar technology companies are Provektor, Rams El, TG:s El i Finspång, and E-Mobility. The companies supply complete solutions in electrical installation and automation, as well as solar energy solutions with control and storage, all to promote smart energy use.

Solar roof companies

The Soltech Group also has eleven roofing companies: NP Gruppen, Takorama, Din Takläggare i Värmland, Takrekond i Småland och Kalmar, Annelunds Tak och Ljungs Sedum Entreprenad, Takbyrå i Alingsås, Wetergrens Tak och Plåtslageri, Tak & Bygg i Falun, Falu Plåtslageri, and Takab i Jönköping. The roofing companies work with all types of roofs and, with the Soltech transformation, can integrate solar energy into their roof solutions.



FINANCIAL SUMMARY

GROUP

REVENUE AND PROFIT/LOSS

July – September 2022

The Group's revenue increased to SEK 482.5 million compared with SEK 267.2 million in the same period last year. This is an 81% increase in revenue.

During the third quarter, the acquisition of TG's EL i Finspång, Smart Solkraft, E-Mobility, and SUD Renovables was carried out, which together contributed SEK 35.1 million in revenue to the Group during the quarter.

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) amount to SEK -55.3 (29.3) million. This has been driven in part by increased HR expenses and investments associated with the rapid expansion of, and efforts to further develop, the Group. EBITDA has been negatively affected by the impact on profits from Neab Group of -SEK 44.5 million and has also been affected by component shortages and price increases for components which primarily affect fixed-price projects that were accepted before price levels started to rise.

EBITDA was positively affected by the earnings from participations in associated companies by SEK 4.6 million.

Soltech Energy Sweden AB's former subsidiary Advanced Soltech was separately listed on the Nasdaq First North Growth Market on 29 October 2021 and then deconsolidated from the Group. Adjusted for Advanced Soltech, the Group's revenue amounted to SEK 482.5 (220.1) million (an increase of 119%), the Group's EBITDA amounted to SEK -59.9 (-6.9) million and EBIT to SEK -89.4 (-18.2) million. Soltech's holding of approximately 29% in Advanced Soltech is recorded as participations in associated companies of SEK 342 million as of 30 September 2022. As at 30 September 2022, the value amounted to SEK 18.52 per share and with a weighted volume price of SEK 19.19 per share during the quarter, the market valuation for the capital share was equivalent to SEK 218 million.

As a result of component shortages, price increases, and fixed-price agreements, the estimated turnover and profitability of the Dutch subsidiary, 365zon, has been revised downwards. Revenue for 2022 is estimated to be in line with 2021 at approximately SEK 250 million, with lower profitability than estimated. This means a revision of the estimated forecast for 2022.

Soltech continues to invest in both existing subsidiaries and new acquisitions, which has resulted in both increased amortisation of goodwill and increased operating costs. Investments and mergers are included in the acquisition strategy. Efforts continue to transition the acquired companies from traditional electricity, facade and roofing companies to solar companies while ensuring continued growth.

Tax and deferred tax have affected the profit/loss of the period by SEK -4.6 (-4.4) million, and the loss after tax for the period was SEK -91.1 (-10.6) million.

January – September 2022

The Group's revenue increased during the nine months of the year to SEK 1,207 million, compared with SEK 674 million in the same period last year. The growth in revenue was 79%.

At the end of 2021 and during the first nine months of 2022, the Group made six acquisitions, which contributed revenue of SEK 325.8 million during the period.

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK -124 million, compared with SEK 50.3 million in the corresponding period last year. EBITDA has been negatively affected by the impact on profit by the Neab Group of SEK 71.6 million. The lower earnings are driven primarily by increased HR expenses and investments associated with the rapid expansion of, and efforts to further develop, the Group. EBITDA was also affected by price increases in components and continued investments and efforts in both new acquisitions and existing subsidiaries, which are driving increased HR and materials costs, as well as the separate listing of Advanced Soltech.

EBITDA was positively affected by the earnings from participations in associated companies by SEK 7.2 million.

Soltech Energy Sweden AB's former subsidiary Advanced Soltech was separately listed on the Nasdaq First North Growth Market on 29 October 2021 and then deconsolidated from the Group. The Group's revenue, adjusted for Advanced Soltech, amounted to SEK 1,207 (554.3) million, an increase of 118%. The Group's EBITDA amounted to SEK -131.2 (-38) million and EBIT amounted to SEK -199.8 (-15.6) million.

Tax and deferred tax have affected the profit/loss for the

period by SEK -3.6 (-5.8) million and the loss after tax for the period amounted to SEK -202.4 (-60.6) million.

CASH FLOW AND FINANCIAL POSITION

July – September 2022

The Group's available cash and cash equivalents as of 30 September 2022 amounted to SEK 248.6 (494.8) million.

Interest-bearing liabilities at the end of the third quarter amounted to SEK 234.2 (1,047.2) million. The decrease is due to the separate listing of Advanced Soltech.

Cash flow for the period amounted to SEK 98.6 (399.6) million. Cash flow has been greatly affected by the completed rights issue during the month of September by SEK 186 million, which has provided the conditions to continue investing in growth.

The Group's equity ratio for the third quarter was 48% (41%).

January – September 2022

Cash flow for the first nine months of the year amounted to SEK -87.5 (272.3) million. Cash flow has been positively affected by the preferential rights issue carried out in both 2021 and 2022.

Financial items

Financial items consist of currency effects, interest income and interest expenses. For further information, see note 1.

INVESTMENTS

July – September 2022

Acquisitions in Sweden

On 1 July, Soltech acquired 100% of the shares in TG:s EI i Finspång AB as well as the wholly owned subsidiary Smart Solkraft i Sverige AB. The acquisition is financed entirely with own funds and with newly issued Soltech shares.

On 1 September, Soltech acquired 80% of the shares in Kalema E-Mobility AB, which is consolidated by the same date. The acquisition is financed entirely with own funds and with newly issued Soltech shares.

On 21 September, Soltech acquired 100% of the shares in Takab i Jönköping AB (Takab) which is consolidated by October 3. The acquisition is financed entirely with own funds and with newly issued Soltech shares.

International acquisitions

On 22 June, 65% of the shares were acquired in the

Spanish solar energy company Sud Energies Renovables SL, which is consolidated by July 5. The acquisition is financed entirely with own funds and with newly issued Soltech shares.

January – September 2022

Acquisitions in Sweden

On 20 December 2021, 70% of the shares in Falu Plåtslageri AB and Tak och Bygg i Falun AB were acquired, which is consolidated by January 5.

On 21 March, the remaining 30% of the shares were acquired in the subsidiary Fasadsystem i Stenkullen AB, which, following the acquisition, is now a wholly owned subsidiary.

On 31 March, the remaining 40% of the shares were acquired in the subsidiary Din Takläggare i Värmland-Dalsland AB, which has subsequently become a wholly owned subsidiary. At the same time, the Group made its first additional acquisition as follows.

On 1 July, Soltech acquired 100% of the shares in TG:s EI i Finspång AB as well as the wholly owned subsidiary Smart Solkraft.

Additional acquisitions

On 1 April, Soltech acquired, through the wholly owned subsidiary Din Takläggare i Värmland-Dalsland AB, 100% of the shares in the solar cell energy company Solexperterna Värmland AB.

On 18 May, it acquired 100% of the shares in the electricity company Trönninge Elektriska AB. The acquired company will become part of the wholly owned subsidiary Provektor Sweden AB.

International acquisitions

On 1 April, 53.3% of the shares in the Dutch solar energy company 365 Energie Holding B.V. were acquired. (365zon) is domiciled in Eindhoven, the Netherlands.

On 22 June, 65% of the shares were acquired in the Spanish solar energy company Sud Energies Renovables SL, which is consolidated by July 5.

PERSONNEL

July – September 2022

Personnel expenses in the third quarter amounted to SEK -121.5 (-66.4) million. The increase is primarily a result of company acquisitions that have been made, but it is also a result of investments in existing operations.

January – September 2022

Personnel expenses in the first nine months of the year amounted to SEK -351.3 (-186) million.

FUTURE PROSPECTS

The solar energy market is growing rapidly, and more and more companies, property owners, public sector entities and individuals are investing in solar energy. Soltech is a turnkey supplier of all types of solar energy plants and technical energy solutions, and it is also a force in construction-integrated solutions for roofs and facades.

On 1 January 2022, the Swedish Government decided to expand the exceptions in the Electricity Act for so-called network concessions. As a result of this, it will be easier for buildings in local networks to share electricity. This means that you can share electricity with buildings on your own property or with others nearby. Microproducers are allowed to make joint solar cell solutions/investments where they can share electricity supply networks and they thereby have the opportunity to optimise the use and share the investment.

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

In an expansive market such as solar energy, changes in the industry are constant, such as acquisitions, new establishments, mergers and bankruptcies. Competition for key skills is also intensifying, while we are seeing higher inflation and rising interest rates. Soltech is active in the market and can act quickly to take advantage of the skills and business opportunities that arise by utilising its financial clout and abbreviated decision-making paths. The future prospects for expansion are still deemed to be very favourable.

PARENT COMPANY

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

July – September 2022

Revenue for the parent company in the third quarter amounted to SEK -7.9 (-4.7) million.

The parent company's operating loss (EBITDA) during the third quarter amounted to SEK -18.7 (-6.2) million and EBIT amounted to SEK -69.6 (-5.4) million.

January – September 2022

Revenue for the parent company in the first nine months amounted to SEK 23.2 (10.8) million.

The parent company's operating loss (EBITDA) for the first nine months amounted to SEK -36 (-21.1) million and EBIT amounted to SEK -91.6 (-17.7) million.

TRANSACTIONS WITH RELATED PARTIES

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

SHARES

The number of shareholders in Soltech Energy Sweden AB (publ) amounts to approximately 76,000. The shares are traded on Nasdaq First North Growth Market under the short name SOLT (ISIN code SE0005392537). The number of shares amounted to 103,785,041 as at 30 September 2022.

ACCOUNTING AND VALUATION PRINCIPLES

The Company applies 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 interim report has been prepared in accordance with chapter 9 of the Swedish Annual Accounts Act. Companies in which Soltech holds the majority of votes at the annual general meeting are classified as subsidiaries and are consolidated in the consolidated accounts.

KEY RATIOS

Soltech's financial reports include financial key ratios that are specified in the applicable rules for financial reporting, or key ratios according to ESMA's definition and other key ratios related to the business. The alternative key ratios are considered to be relevant for an investor who wants to better understand the Company's financial results and position.

SUMMARY OF SIGNIFICANT RISKS

There is a degree of risk associated with running any business and owning shares, and the operations of Soltech Energy Sweden AB (publ) are therefore no exception. When assessing the Company, it is important to consider a number of risk factors, a selection of which are presented in a heavily summarised form below.

Business risks

Business risks occur in all companies, such as lower interest in the Company's products, the market turning out to be smaller than expected, risk of complaints, risks in accounts receivable, risk of disputes and warranty obligations. These risks can have a negative effect on the Company's financial results and position. Within the business area of solar panels for the generation of elec-

tricity, there are market players with similar or different technology which would adversely affect the Company's profits and position should customers prefer a competing system.

Macroeconomic risks

Events in the wider world that affect the circumstances and conditions of the local and global economy could lead to unforeseen consequences for the Company with an impact on both revenues and profits. Risk factors such as economic and market fluctuations, including inflation and an increase in interest rates, risk affecting demand for the new production of properties as well as investment appetite from public enterprises, industry and individuals. The demand for service and maintenance work is, however, affected to a lesser extent by such changes. Other risks include fluctuating exchange rates and changes in different countries' energy and sustainability policies. For example, when interest rates change, customers' borrowing costs are affected and thus their investment calculations, which are also affected by changes in energy costs. Regarding the assessment of goodwill, the Group has no significant changes in future business plans that will affect the valuation of goodwill. For further information on risks, please refer to page 17 of the Annual Report for 2021.

The war in Ukraine

The war in Ukraine has had a major impact on the world economy, and a sharp economic downturn may affect Soltech's business. The war has an indirect effect on the Group's expenses, as the price trend for the components required for the manufacture of solar cell systems, roof systems, electrical installations and facades may be affected. Soltech is also dependent on functioning supply chains and distribution channels. Soltech is not operating in/or with Russia nor Ukraine.

COVID-19

The year began with an unusually high number of absences due to illness owing to the family quarantine rules that were instituted with regard to the widespread community infection. Soltech's operations and work have continued as normal to the greatest extent possible. Employees have continued to work from home where this has been deemed necessary and travel has been limited. Dialogue with customers and various partners has taken place both through various digital platforms and through site visits.

The long-term effects are difficult to assess. During the first part of the year, we saw the impact of increased prices of goods and component shortages, as well as increased absence due to illness. Increased transportation costs and China's lockdowns and zero-COVID policy are having an impact on the industry and our business.

AUDITS

This quarterly report has not been subject to review by the Company's auditor.

THE BOARD OF DIRECTORS' STATEMENT

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

FINANCIAL CALENDAR

23/02/2023 Year-end report 2022

10/05/2023 Annual General Meeting 2023

10/05/2023 Quarter 1 report

23/08/2023 Quarter 2 report

15/11/2023 Quarter 3 report

Stockholm, 18 November 2022

Mats Holmfeldt

Chair of the Board

Vivianne Holm

Board Member

Göran Starkebo

Board Member

Johan Thiel

Board Member

Hellen Wohlin Lidgard

Board Member

Stefan Ölander

Board Member and CEO

INCOME STATEMENTS

Amount in SEKt	Note	GROUP					PARENT COMPANY				
		Q3 2022	Q3 2021	JAN.-SEP. 2022	JAN.-SEP. 2021	JAN.-DEC. 2021	Q3 2022	Q3 2021	JAN.-SEP. 2022	JAN.-SEP. 2021	JAN.-DEC. 2021
Operating income											
Net sales		480,015	254,202	1,199,009	641,540	912,697	7,356	4,660	22,420	9,957	15,791
Change in inventories		-	-	-	-	-	-	-	-	-	-
Intra-group transactions		-	-	-	-	-	494	-	608	-	8
Other operating income		2,489	13,046	7,944	32,478	327,132	10	-	131	877	307
Total income		482,504	267,248	1,206,953	674,018	1,239,829	7,860	4,660	23,159	10,834	16,106
Operating expenses											
Raw materials, consumables and goods for resale		-360,040	-139,626	-844,292	-341,011	-492,156	-	439	-42	-895	-895
Other external expenses		-50,615	-31,594	-132,506	-84,591	-118,592	-10,087	-7,922	-28,429	-20,758	-34,309
Employee benefit costs		-121,532	-66,417	-351,340	-186,031	-300,835	-6,415	-3,370	-20,665	-10,255	-19,807
Depreciation/amortisation and impairment		-29,451	-24,760	-68,553	-65,843	-166,862	-42	-2	-68	-8	-12
Profit/loss from participations in associated companies		4,559	-	7,214	-	1,785	-	-	-	-	-
Other operating costs		-10,204	-301	-10,068	-12,094	-12,454	-10,000	-	-10,000	-	-
Operating profit/loss		-84,779	4,550	-192,592	-15,552	150,715	-18,684	-6,195	-36,045	-21,082	-38,917
Profit/loss from financial investments	1										
Interest income and similar profit/loss items		1,061	285	3,415	413	1,462	1,259	1,135	3,955	3,676	2,383
Interest expenses and similar profit/loss items		-2,767	-10,991	-9,706	-39,724	-66,127	-291	-317	-3,228	-323	-6,288
Profit/loss from shares in Group companies		-	-	-	-	-	-51,932	-	-56,279	-	-58,585
Profit/loss after financial items		-86,485	-6,156	-198,883	-54,863	86,050	-69,648	-5,377	-91,597	-17,729	-101,407
Appropriations		-	-	-	-	-	-	-5,000	-	-10,000	-32,387
Tax		-4,608	-4,446	-3,552	-5,751	-8,459	-	-	-	-	-
Profit/loss for the period		-91,093	-10,602	-202,435	-60,614	77,591	-69,648	-10,377	-91,597	-27,729	-133,794
<i>Attributable to the parent company's owners</i>		<i>-93,551</i>	<i>-18,011</i>	<i>-195,189</i>	<i>-40,932</i>	<i>81,710</i>					
<i>Minority interest</i>		<i>2,458</i>	<i>7,409</i>	<i>-7,246</i>	<i>-19,682</i>	<i>-4,119</i>					

BALANCE SHEETS IN SUMMARY

Amount in SEKt	GROUP			PARENT COMPANY		
	30/09/2022	30/09/2021	31/12/2021	30/09/2022	30/09/2021	31/12/2021
Assets						
Capital subscribed but not paid up	83,859	-	-	83,859	-	-
Non-current assets						
Intangible assets						
Capitalised expenditure for development work	4,188	841	933	-	-	-
Goodwill	878,662	373,295	377,185	-	-	-
Other intangible assets	96	43,987	-	-	-	-
Total intangible assets	882,946	418,123	378,118	0	0	0
Property, plant and equipment						
Buildings and land	54,254	33,381	32,196	105	-	-
Machinery and equipment	68,217	11,879	50,250	613	25	21
Solar energy plants	-	1,181,548	-	-	-	-
Ongoing new facilities	-	11,979	-	-	-	-
Total property, plant and equipment	122,471	1,238,787	82,446	718	25	21
Financial assets						
Participations in Group companies	-	-	-	963,835	592,764	502,905
Participations in associated companies	342,003	-	317,735	123,125	-	123,125
Deferred tax asset	4,520	1,735	-	-	-	-
Receivables from Group companies	-	-	-	88,458	61,283	45,092
Other long-term receivables	4,607	72,383	12,000	459	459	11,500
Total financial assets	351,130	74,118	329,735	1,175,877	654,506	682,622
Total non-current assets	1,356,547	1,731,028	790,299	1,176,595	654,531	682,643
Current assets						
Inventories						
Inventories	204,916	73,903	95,010	-	-	-
Advance payments to suppliers	5,966	1,406	7,618	-	-	-
Total inventories	210,882	75,309	102,628	0	0	0
Current receivables						
Accounts receivable	318,531	172,748	143,667	-	438	448
Receivables from Group companies	-	-	-	7,630	11,823	16,971
Receivables associated companies	28,162	-	26,079	27,840	-	26,079
Accrued but not invoiced income	90,978	55,801	56,941	-	-	-
Tax assets	17,895	15	2,379	-	-	-
Other receivables	19,691	42,338	8,729	1,279	1,066	396
Prepaid expenses and accrued income	51,289	75,886	18,452	7,246	2,325	3,980
Total current receivables	526,546	346,788	256,247	43,995	15,652	47,874
Cash and bank balances	248,640	494,830	336,127	203,681	403,169	288,369
Total current assets	986,068	916,927	695,002	247,676	418,821	336,243
Total assets	2,426,474	2,647,955	1,485,301	1,508,130	1,073,352	1,018,886

BALANCE SHEETS IN SUMMARY, CONTINUATION

Amount in SEkt	Note	GROUP			PARENT COMPANY		
		30/09/2022	30/09/2021	31/12/2021	30/09/2022	30/09/2021	31/12/2021
Equity and liabilities							
Equity		1,164,883	1,098,776	938,516	1,155,455	922,457	815,981
Minority interest in equity		12,430	336,900	34,885	-	-	-
Provisions							
Deferred tax liability		9,984	17,317	9,924	-	-	-
Guarantee debts		6,176	3,099	3,091	-	-	-
Other provisions		292,745	130,558	140,877	292,074	130,126	140,206
Total provisions		308,905	150,974	153,892	292,074	130,126	140,206
Non-current liabilities							
Non-current liabilities to credit institutions		67,869	44,603	44,610	9,523	-	-
Bond loans		-	905,336	-	-	-	-
Other liabilities		224,553	53,008	26,197	-	-	-
Liabilities to Group companies		-	-	-	6,717	-	15,051
Total non-current liabilities		292,422	1,002,947	70,807	16,240	0	15,051
Current liabilities							
Invoiced, not accrued income		118,292	12,491	32,163	-	-	-
Overdraft facility		78,704	47,890	16,215	-	-	-
Current liabilities to credit institutions		11,359	-	22,359	-	-	-
Accounts payable		202,665	182,047	82,428	13,602	2,568	3,893
Liabilities to Group companies		-	-	-	1,037	10,270	1,359
Current tax liabilities		10,798	8,223	7,102	435	122	231
Other liabilities		110,021	48,766	94,219	3,646	6,130	36,202
Accrued expenses and deferred income		128,425	95,841	67,600	25,641	1,679	5,963
Total current liabilities		660,265	395,258	322,086	44,361	20,769	47,648
Total equity and liabilities		2,426,474	2,647,955	1,485,301	1,508,130	1,073,352	1,018,886

EQUITY, GROUP

2022 Q3

Amount in SEkt

	Share capital	Other contributed capital	Translation reserve	Profit/loss brought forward, including profit/loss for the year	Total	Holdings with a non-controlling interest	Total equity
At beginning of year, 01/01/2022	4,729	888,736	8,853	1,313	903,631	34,885	938,516
Profit/loss for the year				-195,189	-195,189	-7,246	-202,435
Transactions with minorities		-4,435			-4,435	-21,368	-25,803
Dividends						-554	-554
Translation differences		164	17,211		17,375		17,375
New share issue	460	190,369			190,829		190,829
Ongoing new issue		240,242			240,242		240,242
Invested capital minority						6,713	6,713
At end of period, 30/09/2022	5,189	1,315,076	26,064	-193,876	1,152,453	12,430	1,164,883

2021 Q3

Amount in SEkt

	Share capital	Other contributed capital	Translation reserve	Profit/loss brought forward, including profit/loss for the year	Total	Holdings with a non-controlling interest	Total equity
At beginning of year, 01/01/2021	3,476	339,171	-19,716	-80,396	242,535	296,597	539,132
Profit/loss for the year				-65,046	-65,046	4,433	-60,613
Transactions with minorities		-2,069			-2,069	-27,518	-29,587
Translation differences		20,239			20,239	-20,239	0
New share issue						-1,292	-1,292
Ongoing new issue			25,864		25,864		25,864
Transactions with minorities*	1,251	539,102			540,353	71,021	611,374
Invested capital minority						13,898	13,898
At end of period, 30/09/2021	4,727	886,752	15,839	-145,442	761,876	336,900	1,098,776

2021 Whole year

Amount in SEkt

	Share capital	Other contributed capital	Translation reserve	Profit/loss brought forward, including profit/loss for the year	Total	Holdings with a non-controlling interest	Total equity
At beginning of year, 01/01/2021	3,476	339,171	-19,716	-80,396	242,535	296,597	539,132
Profit/loss for the year				81,709	81,709	-4,119	77,590
Transactions with minorities		1,015			1,015	-30,602	-29,587
Dividend						-1,636	-1,636
Other changes		-113			-113		-113
Translation differences			8,853		8,853		8,853
Separate listing Advanced Soltech		9,976	19,716		29,692	-296,376	-266,684
New share issue	1,253	537,821			539,074	71,021	610,095
Ongoing new issue		866			866		866
At year-end, 31/12/2021	4,729	888,736	8,853	1,313	903,631	34,885	938,516

EQUITY, PARENT COMPANY

2022 Q3

Amount in SEkt

	Share capital	Profit/loss brought forward	Share premium reserve	Profit/loss for the year	Total equity
At beginning of year, 01/01/2022	4,729	-148,209	1,093,255	-133,794	815,981
Appropriation of profits		-133,794		133,794	0
New share issue	460		190,369		190,829
Ongoing new issue			240,242		240,242
Appropriation of profits				-91,597	-91,597
At end of period, 30/09/2022	5,189	-282,003	1,523,866	-91,597	1,155,455

2021 Q3

Amount in SEkt

	Share capital	Profit/loss brought forward	Share premium reserve	Profit/loss for the year	Total equity
At beginning of year, 01/01/2021	3,476	-122,878	549,353	-25,330	404,621
Appropriation of profits		-25,330		25,330	0
New share issue	1,251		543,427		544,678
Ongoing new issue			889		889
Appropriation of profits				-27,729	-27,729
At end of period, 30/09/2021	4,727	-148,208	1,093,669	-27,729	922,459

2021 Whole year

Amount in SEkt

	Share capital	Profit/loss brought forward	Share premium reserve	Profit/loss for the year	Total equity
At beginning of year, 01/01/2021	3,476	-122,879	549,353	-25,330	404,620
Appropriation of profits		-25,330		25,330	0
New share issue	1,253		543,036		544,289
Ongoing new issue			866		866
Appropriation of profits				-133,794	-133,794
At end of period, 31/12/2021	4,729	-148,209	1,093,255	-133,794	815,981

CASH FLOW STATEMENTS

Amount in SEKt	GROUP					PARENT COMPANY				
	Q3 2022	Q3 2021	JAN. - SEP. 2022	JAN. - SEP. 2021	JAN. - DEC. 2021	Q3 2022	Q3 2021	JAN. - SEP. 2022	JAN. - SEP. 2021	JAN. - DEC. 2021
Operating activities										
Operating profit/loss	-84,780	4,551	-192,592	-15,552	150,715	-18,668	-6,195	-36,045	-21,083	-38,905
Non-cash flow items	41,934	25,798	76,793	78,580	-115,167	37	2	83	-37	-458
Received interest and dividends	1,061	285	3,415	413	1,462	535	1,387	4,976	3,928	4,116
Interest paid	-2,442	-22,321	-9,381	-87,759	-110,824	-255	-6	-3,173	-11	-24
Income tax paid	-4,744	2,134	-16,811	-5,065	-9,583	-	-	-	-	-
Cash flow from operating activities before changes in operating capital	-48,971	10,447	-138,576	-29,383	-83,397	-18,351	-4,812	-34,159	-17,204	-35,271
Cash flow from changes in working capital										
Increase/decrease in inventories etc.	1,877	-18,387	-48,224	-32,541	-56,852	-	-	-	-	-
Increase/decrease in operating receivables	-36,356	-48,445	-156,172	-108,819	-123,164	-5,146	-3,488	-13,225	-7,598	-9,397
Increase/decrease in current liabilities	50,117	-60,511	196,510	98,027	158,185	9,218	1,105	-17,937	-1,069	3,235
Cash flow from operating activities	-33,333	-116,896	-146,462	-72,716	-105,228	-14,279	-7,195	-65,321	-25,871	-41,433
Investing activities										
Intangible assets	-3,301	-	-3,630	-	-	-	-	-	-	-
Property, plant and equipment	-4,748	-19,584	-19,278	-167,810	-177,124	-	-	-802	-	-
Acquisitions of subsidiaries	-56,852	-2,059	-116,864	-36,162	-48,910	-71,321	-3,793	-172,138	-51,516	-69,419
Financial assets	1,201	14,976	11,919	17,449	-33,750	-13,181	-7,700	-32,662	-21,721	-107,804
Cash flow from investing activities	-63,700	-6,667	-127,853	-186,523	-259,784	-84,502	-11,493	-205,602	-73,237	-177,223
Financing activities										
New share issue	186,235	461,561	186,235	461,561	459,191	186,235	394,377	186,235	394,377	394,377
Change in loans	4,100	61,568	-3,853	71,064	21,096	-	-893	-	-4,748	-
Other financing activities	5,266	-	4,446	-1,044	-1,636	-	-	-	-	-
Cash flow from financing activities	195,601	523,129	186,828	531,581	478,651	186,235	393,484	186,235	389,629	394,377
Cash flow for the period, increase/decrease in liquid assets	98,568	399,566	-87,487	272,342	113,639	87,454	374,796	-84,688	290,521	217,154
Cash and cash equivalents at the start of the period	150,072	95,264	336,127	222,488	222,488	116,227	28,373	288,369	112,648	112,648
Cash and cash equivalents at the end of the period	248,640	494,830	248,640	494,830	336,127	203,681	403,169	203,681	403,169	288,369

NOTE 1. FINANCIAL ITEMS

Amount in SEKt	GROUP				PARENT COMPANY			
	Q3 2022	Q3 2021	JAN.-SEP. 2022	JAN.-SEP. 2021	Q3 2022	Q3 2021	JAN.-SEP. 2022	JAN.-SEP. 2021
Interest income	216	60	664	188	535	224	1,823	645
Currency effects of foreign receivables and liabilities	315	22,090	1,293	58,147	688	223	2,077	-93
Interest expenses	-2,237	-26,233	-8,248	-77,566	-255	-1	-3,173	-7
Profit/loss from participations in Group companies	-	-	-	-	-51,932	372	-56,279	2,808
Expensing of capitalised borrowing costs	-	-6,623	-	-20,080	-	-	-	-
Total	-1,706	-10,706	-6,291	-39,311	-50,964	818	-55,552	3,353

NOTE 2. DEFINITION OF KEY FIGURES

- All revenue, including changes in work in progress.
- Increase in total revenue compared with the same period in the previous year.
- Gross profit/loss as a percentage of total revenue.
- Operating profit/loss, including depreciation of non-current assets and goodwill.
- Operating profit/loss, excluding depreciation of non-current assets and goodwill.
- Equity as a percentage of the balance sheet total.
- Number of outstanding shares at the end of the period, excluding outstanding options.
- Average of outstanding shares during the period, excluding outstanding options.
- Number of outstanding shares after allocation and utilisation of outstanding options whose issue price is below the average market price for the period.
- Profit/loss after tax for the period, less the minority's share/outstanding number of shares at the end of the period.
- Earnings per share, including outstanding options whose issue price was below the average market price for the period.
- Decided and/or unpaid dividend for the period.
- Equity at the end of the period, less the minority's share/outstanding number of shares at the end of the period.
- Equity per share, including outstanding options whose issue price was below the average market price for the period.

Soltech Energy Solutions has concluded a new battery agreement. The Alight Solpark battery storage facility outside Linköping will help to stabilise the electricity grid through frequency regulation.



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

info@soltechenergy.com
soltechenergy.com