



Midsummer in brief

Midsummer develops and sells equipment for the production of flexible thin-film solar cells, and manufactures, sells and installs solar roofs. The company was founded in 2004 and Midsummer owns the entire chain from the manufacturing equipment to the installed solar roofs. These are CIGS solar cells that are thin, lightweight, flexible, discrete and have a minimal carbon footprint compared to other solar panels.

Midsummer's technology and products are considered to be well-positioned to meet future needs and expectations on a market experiencing strong, global growth, at a time when aesthetics and a minimal carbon footprint are becoming increasingly important among discerning customers. Production takes place in Sweden using the company's own DUO production system, which is the most widespread production system for flexible CIGS solar cells in the world; production will also start in Italy from the end of 2022. Midsummer's subsidiary, Midsummer Italia, is completing a factory in Bari, which will become the largest producer of thin-film solar cells in Europe with a production capacity of 50 MW. The company's shares are registered on Nasdaq First North Premier Growth Market.

Year-end report 2021

Midsummer AB (Publ) Nasdaq First North Premier Growth Market

NOTABLE EVENTS FOR THE FULL YEAR

- Net sales for the Group in 2021 stood at TSEK 94,406 (TSEK 71,954). Earnings per share for the Group stood at SEK -2.18/share both before and after dilution (SEK -2.65/share) in 2021.
- Sales of solar cells, solar panels and solar roofs amounted to TSEK 37,502 (TSEK 10,694) in 2021.
- A cooperation agreement was signed with Hiansa Panel, Spain's leading producer of sandwich panels.
- Midsummer delivered a DUO machine to Russia as part of its framework agreement with Rusnano Group.
- The Annual General Meeting in June resolved to elect four new Board members, including a new Chairman of the Board.
- Midsummer shipped an UNO machine to the University of New South Wales in Sydney, Australia.

NOTABLE EVENTS OCTOBER - DECEMBER 2021

- Net sales for the Group for the fourth quarter of 2021 stood at TSEK 18,657 (TSEK 5,966). Earnings per share for the fourth quarter stood at SEK -0.77 SEK/ share both before and after dilution (SEK -0.82/share).
- Delivery of two DUO systems to produce thin-film solar cells for the US company Sunflare to be installed in a Chinese factory.
- The unveiling of Midsummer's largest solar roof installation ever; a 1,700 m² roof covered with BOLD panels for a new climate-smart factory in Flen for the industrial company Precima.
- The Italian authorities decided to award Midsummer startup support that is worth the equivalent of approximately MSEK 390. It includes a grant and low interest loans for the company to start its large-scale production of solar roofs in Bari, Italy. The capacity in Italy will be 50 MW per year, which is ten times higher than the current production capacity at the factory in Järfälla. When the factory is up and running, it will make Midsummer the largest producer of thin-film solar cells in Europe.
- Midsummer entered into a partnership with the Italian research consortium Hypatia to provide ultra-lightweight thin-film solar cells for a number of cutting-edge projects, including a space mission to the stratosphere.
- Ultra-lightweight thin-film solar panels were sold to Solar@Sea II, a Dutch government-funded project to generate solar energy from panels on flexible floaters.
- Midsummer raised MSEK 130 in new capital before issue costs by exercising its warrants, enabling the continued expansion of both its market and production activities.
- Midsummer entered into a five-year agreement with the Italian manufacturer of curved metal roofs Medacciai. Medacciai is going to purchase solar panels from Midsummer Italia for MEUR 6.3 every year for five years. Both companies are also going to jointly develop and launch a new product for the southern European market called Panel Energy.

NOTABLE EVENTS AFTER THE END OF THE YEAR

 Midsummer has signed a five-year agreement with the Italian roofing manufacturer Unimetal. Unimetal is going to purchase solar panels from Midsummer Italia for MEUR 9 every year for five years. Both companies are also going to jointly develop and launch a new product for the southern European market called Solar Metal.

Key performance indicators

TSEK	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Net sales	94 406	71 954	18 657	5 966
Operating profit	-111 001	-74 488	-39 430	-33 370
EBITDA	-72 775	-50 043	-29 217	-35 204
Profit before tax	-130 231	-92 302	-46 280	-38 271
Comprehensive income for the period	-129 294	-92 742	-45 683	-38 711
Operating margin	Negative	Negative	Negative	Negative
EBITDA margin	Negative	Negative	Negative	Negative
Equity/assets ratio	51,5%	49,2%	51,5%	49,2%
Cash flow for the period	-59 762	105 897	34 483	189 995
Earnings per share				
- before and after dilution (SEK)	-2,18	-2,65	-0,77	-0,82





CEO's statement

It has been an extremely eventful year for Sweden's only producer of solar cells. This was particularly true towards the end of the year, when many of the processes that we had been working on for a long time finally came to fruition. In November we attracted MSEK 130 before issue costs in a warrants issue that we had been planning for some time. After a long period of inactivity caused by Covid, we were finally able to start delivering our production equipment again. Our Italian subsidiary signed a major agreement with an Italian roofing manufacturer, which was followed by an even bigger agreement at the start of 2022. However, it was in October that we made our big announcement: we were awarded huge and extremely favourable support from the Italian authorities for our new mega-factory in Bari. This was not only the largest event for us in 2021, but also in our company's history. This factory in Bari will be ten times bigger, in terms of production capacity, than our current factory in Järfälla.

During the year sales increased by more than 30 per cent compared with the previous year, due to very high demand on our domestic market for our lightweight and discrete solar roofs. New orders for solar roofs for the year increased by 215 per cent compared with the previous year. However, the costs for the company increased by more than our sales in 2021, which led to us reporting lower earnings. In previous years virtually all our revenue came from sales in our Production Equipment product line. However, we have now scaled up the production and sales of our Solar Roofs product line, which has incurred higher costs initially. This is because of the low production volumes and the fact that production in our Swedish factory is relatively manual. In the Solar Roofs product line we also recognise our costs earlier (when the panels leave the warehouse) than the revenue (which is received when final payment is made for the solar roof); while the revenue for Production Equipment is recognised as the costs arise. Our new automated factory in Italy will result in economies of scale and volume discounts on materials, which will considerably improve our profitability in Solar Roofs.

As well as pure production costs, we also incurred higher costs for recruiting new staff and for upscaling production, installation and marketing. The rapid expansion of solar roof installations in 2021 meant that our own staff did not have the capacity to install all the solar roofs, which meant that we had higher costs for subcontractors during the year. However, we increased our own workforce in the second half of 2021, while also signing long-term agreements with a few selected subcontractors. This will allow us to gradually reduce our installation costs in 2022.

There is a huge and mature market for our roofs, with a lot of our target groups looking for discrete solar roofs. Many customers, particularly commercial companies, want lightweight solar panels for roofs that cannot withstand the weight of silicon panels. The agreements with the two Italian roofing manufacturers, which already represent a sixth of the production from our new Italian factory, is proof that this international investment has been worthwhile. Once we have succeeded in managing this major gear change, we are going to be in a position to report positive earnings. Our most recent warrants issue means that we are now well financed, our equity/assets ratio increased during the year and we have the endurance to do what is right in the long term to be a major player on the European market for solar roofs.

There is no doubt that the need for electricity is going to increase. Many companies are citing rising raw material and energy prices as a reason for their lower profitability. They have to take responsibility for their own energy supply. Households and most companies clearly only have one choice available to them if they want to generate their own electricity: solar panels on their roofs. We are therefore seeing a significant increase in demand for solar cells.

Companies have to start to recognise that electrical energy and access to it play a major role in their profitability and expansion. Trusting that someone else will provide them with access to electrical energy is not going to be a winning strategy. The new 'green' industrial companies that are mostly being established in the north of Sweden are going to use large amounts of energy. If you use a lot of energy, you also have to generate energy. This enables you to secure your own access to electrical energy and take control of your own future.

On a deregulated electricity market, the most profitable companies are going to be the ones that can afford to pay high electricity prices. Private companies therefore have to invest in their own electricity supply in order to safeguard their profitability, climate goals and future expansion.

All industry in Sweden needs its own access to large-scale solar power. Nowadays a roof should not only be there to protect against the rain, snow and cold; it should also be a modern roof that supplies the building with a high proportion of the electricity it needs. Installing solar roofs wherever possible will be a natural course of action. Midsummer's solar panels are made in Sweden and add a minimal amount of weight without penetrating the roof layer, while they also represent a profitable investment in the most sustainable electricity generation that is currently available. This gives me so much hope for the future.

Sven Lindström, CEO, Midsummer AB



The development of earnings and financial position for the full year 2021 and the fourth quarter of 2021

Sales and earnings

New orders

New orders for the Solar Roofs product line for the full year 2021 amounted to TSEK 53,467 (TSEK 16,960), while the total order book for the Solar Roofs product line stood at TSEK 26,704 at the end of 2021 (TSEK 10,741 as at 31 December 2020).

New orders for the Production Equipment product line for the full year 2021 amounted to TSEK 2,968 (TSEK 115,209), while the total order book for the Production Equipment product line stood at TSEK 53,689 at the end of the year (TSEK 100,792 as at 31 December 2020).

The company increased its new orders for the Solar Roofs product line by 215 per cent for the full year 2021 compared with the previous year. We saw a seasonal variation in new orders for solar roofs, which, combined with the long waiting times, resulted in new orders falling in Q4 compared with the two previous quarters. A rapid expansion of our installation organisation in the final quarter of the year enabled us to reduce our delivery times again for both SLIM and WAVE, paving the way for even higher new orders in 2022.

In terms of the Production Equipment product line, we are finally seeing some light at the end of the tunnel. The coronavirus pandemic has made it impossible to travel to the countries and regions where the company has historically sold its DUO machines. Although the travel restrictions are still in place, we have seen an increase in activity among our customers. The huge increase in the spread of the Omicron variant during the winter has proved to be a temporary setback, particularly when the Asian countries closed their borders and introduced even stricter travel restrictions. This has delayed our planned installations and sales activities. However, we are seeing signs that more and more countries are going to lift their restrictions at the start of 2022, which hopefully means that our market will increasingly return to normal in the coming year.

Net sales

Net sales for the Group in 2021 stood at TSEK 94,406 (TSEK 71,954). Net sales for the fourth quarter amounted to TSEK 18,657 (TSEK 5,966).

For the Solar Roofs product line, net sales amounted to TSEK 37,502 (TSEK 10,694) in 2021, which includes TSEK 17,000 (TSEK 2,928) for the fourth quarter of 2021.

Our greater installation capacity and high number of new orders in the summer months resulted in a high number of installations, with record invoicing for solar roofs in the fourth quarter.

For the Production Equipment product line, net sales amounted to TSEK 56,904 (TSEK 60,696) in 2021, which includes TSEK 1,657 (TSEK 3,038) for the fourth quarter of 2021.

In 2021 net sales for Production Equipment was heavily affected by the coronavirus pandemic, in the same way as described in the section above on new orders. Some of our machines were shipped before the Omicron outbreak closed the borders again, but we are expecting to be able to complete our installations in China and Australia in the first half of 2022.

Net sales for the parent company in 2021 stood at TSEK 145,440 (TSEK 71,250). Net sales for the fourth guarter amounted to TSEK 18,587 (TSEK 24,459).

The large difference in net sales figures for the Group and the parent company is due to the final delivery of five DUO machines during the period.

A high proportion of the machinery value is recognised as revenue for the parent company upon the

final delivery of the machinery; however, revenue is recognised for the Group continually during the time when the machinery is being completed.

This means that invoicing from machinery sales in 2021 instead appears as lower contract assets for the Group in the balance sheet. All in all, this meant that contract assets fell from TSEK 118,353 at the beginning of the year to TSEK 66,661 at the end of the year.

Other operating income

Other operating income for the Group in 2021 comprised contributions amounting to TSEK 3,982 (TSEK 1,264) and exchange rate gains of TSEK 13,013 (TSEK 10,317).

Profit

Operating profit for the Group in 2021 was TSEK -111,001 (TSEK -74,488), and operating profit for the fourth quarter was TSEK -39,430 (TSEK -33,370).

Profit before tax in 2021 ended at TSEK -130,231 (TSEK -92,302). Profit before tax for the fourth quarter was TSEK 46,280 (TSEK -38,271).

Operating profit for the parent company in 2021 was TSEK -95,916 (TSEK -58,042). Operating profit for the fourth quarter was TSEK -38,424 (TSEK -19,228).

Costs for the company increased by more than our sales in 2021, which led to us reporting lower earnings. In previous years virtually all our revenue came from sales in Production Equipment. However, we have now scaled up the production and sales in Solar Roofs, which has incurred higher costs initially. This is because of the low production volumes and the fact that production in our Swedish factory is relatively manual. In the Solar Roofs product line we also recognise our costs earlier (when the panels leave the warehouse) than the revenue (which is received when final payment is made for the solar roof); while the revenue for Production Equipment is recognised as the costs arise. Our new factory in Italy will result in economies of scale and volume discounts on materials, which will considerably improve our profitability in Solar Roofs.

As well as pure production costs, we also incurred higher costs for recruiting new staff and for upscaling production, installation and marketing. The rapid expansion of solar roof installations in 2021 meant that our own staff did not have the capacity to install all the solar roofs, which meant that we had higher costs for subcontractors during the year. However, we increased our own workforce in the second half of 2021, while also signing long-term agreements with a few selected subcontractors. This will allow us to gradually reduce our installation costs in 2022.

Cash flow and financing

Cash flow in 2021 was TSEK -59,762 (TSEK +105,897). Cash flow in the fourth quarter was TSEK +34,483 (TSEK +189,995). Cash and cash equivalents amounted to TSEK 159,161 at the end of 2021 (TSEK 217,610 at the end 2020).

In the final quarter of 2021 the company raised TSEK 125,870 through an exercise of warrants, following issue costs. Midsummer was also awarded TEUR 38,734 (TSEK 397,089) in financing from INVITALIA in the same quarter for its investment in a factory in Bari in Italy. This includes TEUR 23,390 (TSEK 239,785) as a grant and TEUR 15,343 (TSEK 157,293) in low interest loans. This financing from INVITALIA will start to be paid in 2022.

Inventories in the Group increased in 2021 from TSEK 26,682 to TSEK 30,384. However, in the fourth quarter inventories fell from TSEK 36,907 at the beginning of the quarter.

Investments

Total investments in machinery and buildings in 2021 for the Group amounted to TSEK 90,347 (TSEK 29,081). These investments included TSEK 64,859 (TSEK 27,394) in the fourth quarter. Most of these investments are for the new factory in Bari, which will be completed in 2022.

Total investments in machinery and buildings for the parent company stood at TSEK 77,711 (TSEK 3,982) in 2021. These investments included TSEK 70,267 in machinery and equipment, which will be sold later on to the subsidiary in Italy. This figure of TSEK 70,267 has been recognised in inventories for the parent company.

Significant risks and uncertainties

Midsummer's operations comprise the development and manufacture of equipment for the production of flexible thin-film solar cells, as well as the production and sale of solar panels and integrated solar roofs. Midsummer's business is therefore associated with commercial and operational risks, legal and regulatory risks, and financial risks.

A detailed description of Midsummer's significant risks is available in the Directors' Report in the 2020 Annual Report.

COVID-19

The outbreak of Covid-19 has had a major impact on the societies and markets where Midsummer operates or where Midsummer has suppliers, customers and/or collaborations.

The ongoing pandemic also affects our ability to visit customers outside of Sweden's borders. So far all our machine sales have been exports. The current lockdowns and restrictions mean that there have been limited opportunities for us to sell DUO machines. These restrictions also affect us because it is difficult for customers who have ordered our machines to travel to Sweden to take part in the acceptance tests that we always perform on our DUO machines before we ship them.

Although travel restrictions eased slightly in the autumn, the spread of the Omicron variant around the world led to this easing being reversed in many countries. It is our assessment that the removal of restrictions in Sweden will be positive for our operations here and will enable us to welcome our customers and partners to Sweden. However, it is currently even more difficult to send installation and service engineers from Sweden to China, as all scheduled flights between Sweden and China have been cancelled. Although we are generally more hopeful about what will happen in Europe and Australia, we are still facing major problems with Covid-19 restrictions in East Asia.

To manage this risk, Midsummer currently has Chinese citizens employed in Sweden and Hong Kong, and the company has trained our Chinese customers' staff. We have also developed a process for acceptance tests by video link and we are training our Chinese staff to install DUO systems using only video-link support from Sweden.

Dependency on intermediate goods and raw materials

Midsummer is dependent on a number of important intermediate products, technical components and raw materials that are essential for our production. There is currently a global shortage of semiconductor components. During the year Midsummer has certified two new suppliers in order to secure its supply of semiconductor diodes. This means that we have currently secured our materials supply in line with our plan to scale up production. However, if the global shortage of semiconductors worsens, there is a risk that this could impact production volumes and delivery times.

Situation in Ukraine and potential sanctions against Russia

Russia invaded Ukraine the day before the presentation of this report. We therefore do not know exactly how this situation is going to develop. We are going to analyse any consequences, but we currently only have low exposure to Russia.

This information also applies to the parent company.

Transactions with associates

The US company Sunflare used to be an associate of Midsummer, as Liang Gao was a Board member of Midsummer until 4 June 2021 and had a controlling influence of Sunflare. Now that Liang Gao is no longer on the Board and does not hold a key position in executive management, Sunflare is no longer an associate of Midsummer.

Ownership structure as at 31 December 2021

Total number of shares	67,741,409	100.00%
Other shareholders (10,414)	29,127,207	43.00%
Länsförsäkringar fonder	1,845,626	2.72%
Avanza Pension	1,949,914	2.88%
Skandia fonder	2,105,191	3.11%
Infologix (BVI) Ltd.	3,037,293	4.48%
Jan Lombach, privately and via companies	3,653,975	5.39%
Nordea Nordic Small Cap	4,057,640	5.99%
Cidro Förvaltning AB	4,199,018	6.20%
H. Waldaeus AB	5,154,695	7.61%
Philip Gao	6,305,400	9.31%
Liang Gao	6,305,450	9.31%

Consolidated statement of income and other comprehensive income

TSEK	Note	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Net sales	3	94,406	71,954	18,657	5,966
Other operating income		16,995	14,811	3,285	6,841
		111,401	86,764	21,942	12,807
Own work capitalised		24,867	23,562	4,944	6,170
Raw materials and consumables		-91,968	-41.199	-21,535	-11,142
Other external expenses		-33,969	-17,995	-12,209	-5,733
Staff expenses		-78,118	-72,175	-20,868	-19,225
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets		-38,226	-24,445	-10,212	1,833
Other operating expenses		-4,988	-29,001	-1,490	-18,081
Operating profit		-111,001	-74,488	-39,430	-33,370
Financial income		1,944	876	800	157
Financial expenses		-21,174	-18,690	-7,651	-5,058
Net financial items		-19,230	-17,814	-6,851	-4,901
Profit before tax		-130,231	-92,302	-46,280	-38,271
Tax		719	-	719	-
Profit for the year		-129,512	-92,302	-45,561	-38,271
Other comprehensive income					
Other comprehensive income for the period		218	-440	-121	-440
Comprehensive income for the period		-129,294	-92,742	-45,683	-38,711
Profit for the period attributable to:					
- Owners of the parent		-129,512	-92,302	-45,561	-38,271
Comprehensive income for the period attributable to:					
- Owners of the parent		-129,294	-92,742	-45,683	-38,711
Earnings per share					
- before and after dilution (SEK)		-2.18	-2.65	-0.77	-0.82
Number of outstanding shares at end of reporting period					
- before and after dilution		67,741,409	59,171,392	67,741,409	59,171,392
Average number of outstanding shares					
- before and after dilution		59,406,186	34,883,912	59,406,186	46,553,359

Consolidated financial position

TSEK	Note	31 Dec 2021	31 Dec 2020
Assets			
Intangible assets		53,249	45,436
Property, plant and equipment		142,186	66,571
Right-of-use asset		12,333	14,882
Non-current receivables		40	40
Total non-current assets		207,808	126,929
Inventories		30,384	26,682
Accounts receivable		22,782	22,767
Contract assets		66,661	118,353
Tax assets		1,537	1,322
Other receivables		1,541	6,252
Prepayments and accrued income		1,362	478
Cash and cash equivalents		159,161	217,610
Total current assets		283,428	393,464
Total assets		491,236	520,394
Equity			
Share capital		2,710	2,367
Other paid-in capital		530,037	404,510
Reserves in equity		224	-440
Retained earnings incl. profit/loss for the period		-280,015	-150,504
Equity attributable to owners of parent		252,956	255,933
Total equity		252,956	255,933
Liabilities			
Non-current interest-bearing liabilities		207,823	209,294
Other provisions		-	187
Total non-current liabilities		207,823	209,481
Current interest-bearing liabilities		7,710	6,331
Contract liabilities		611	2,555
Trade payables		10,107	34,387
Tax liabilities		273	803
Other current liabilities		3,832	3,542
Accruals and deferred income		7,924	7,362
Total current liabilities		30,457	54,980
Total liabilities		238,280	264,461
Total equity and liabilities		491,236	520,394

Consolidated changes in equity

Equity attributable to owners of parent

TSEK	Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total	Non- controlling interests	Total equity
Opening equity 1 Jan 2020	1,236	157,238	_	-58,203	100,271	_	100,271
Comprehensive income for the year		-	-		-	-	-
Profit for the year Other comprehensive income for	-	-	-	-92,302	-92,302	-	-92,302
the year	-	-	-440	-	-440	-	-440
Comprehensive income for the year	-	-	-440	-92,302	-92,741	-	-92,741
New issue	1,131	247,272	-	-	248,403	-	248,403
Closing equity 31 Dec 2020	2,367	404,510	-440	-150,504	255,933	-	255,933
Opening equity 1 Jan 2021	2,367	404,510	-440	-150,504	255,933	-	255,933
Comprehensive income for the year	-	-	-	-	-	-	-
Profit for the year	-	-	-	-129,512	-129,512	-	-129,512
Other comprehensive income for the year	-	-	664	-	-	-	664
Comprehensive income for the year	-	-	-	-129,512	-129,512	-	-129,512
New issue ¹	343	125,527	-	-	125,870	-	125,870
Closing equity 31 Dec 2021	2,710	530,037	224	-280,016	252,291	-	252,956

¹ Issue costs amount to TSEK 4,395 as at 31 December 2021.

Consolidated cash flow

TSEK	Note	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Operating activities					
Comprehensive income for the period		-129,294	-92,302	-45,683	-38,271
Adjustment for non-cash items		41,138	19,726	13,832	-9,574
Income tax paid		-	-	-	265
Increase (-)/Decrease (+) in inventories		-3,892	-2,949	6,326	5,461
Increase (-)/Decrease (+) in operating receivables		54,563	-24,846	1,204	24,903
Increase (+)/Decrease (-) in operating liabilities		-25,902	20,677	5,270	26,812
Cash flow from operating activities		-63,387	-79,694	-19,050	9,597
Investing activities					
Acquisitions/sales net of property, plant and equipment		-90.347	-29.081	-64.859	-27,394
Acquisition of intangible assets		-25,000	-23,919	-5,043	-6,320
Cash flow from investing activities		-115,347	-53,000	-69,902	-33,714
Cash new from investing activates		110,047	00,000	07,702	00,714
Financing activities					
Share issue		125,870	247,963	125,120	217,513
Repayment of loans		-535	-6,480	-	-5,913
Repayment of leasing liabilities		-6,363	-2,891	-1,685	2,513
Cash flow from financing activities		118,972	238,592	123,435	214,112
Cash flow for the period		-59,762	105,897	34,483	189,995
Cash and cash equivalents at start of period		217,610	111,015	124,121	27,635
Exchange difference in cash and cash equivalents		1,313	698	557	-20
Cash and cash equivalents at end of period		159,161	217,610	159,161	217,610

Income statement for the parent company

TSEK	Note	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Net sales	3	145,440	71,250	18,587	24,459
Change in goods in progress, finished goods and work in progress		35,154	17,310	55,616	-5,837
Own work capitalised		24,867	23,562	4,943	6,170
Other operating income		10,268	8,185	2,068	664
		215,730	120,306	81,215	25,456
Raw materials and consumables		-165,932	-58,882	-77,018	-18,735
Other external expenses		-39,704	-23,666	-13,753	-5,787
Staff expenses		-76,013	-72,175	-20,304	-19,225
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets		-26,430	-13,673	-7,061	3,144
Other operating expenses		-3,567	-9,952	-1,503	-4,081
Operating profit		-95,916	-58,042	-38,424	-19,228
Profit from financial items					
Interest income and similar profit/loss items		1,943	876	799	159
Interest expense and similar profit/loss items		-20,836	-18,285	-7,572	-4,868
Profit after financial items		-114,809	-75,450	-45,198	-23,937
Profit before tax		-114,809	-75,450	-45,198	-23,937
Tax		-	-	-	-
Profit for the period		-114,809	-75,450	-45,198	-23,937

Statement of income and other comprehensive income for the parent company

TSEK	Note	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Profit for the period		-114,809	-75,450	-45,198	-23,937
Other comprehensive income		-	-	-	-
Comprehensive income for the period		-114,809	-75,450	-45,198	-23,937

Balance sheet for the parent company

TSEK	Note	31 Dec 2021	31 Dec 2020
Assets			
Non-current assets			
Intangible assets		53,095	45,285
Property, plant and equipment		32,801	36,130
Financial non-current assets			
- Interests in subsidiaries		33,326	15,771
- Other non-current receivables		40	40
Total financial non-current assets		33,366	15,811
Total non-current assets		119,263	97,226
Current assets			
Inventories, etc.		137,297	102,142
Current receivables			
- Accounts receivable		22,782	22,768
- Contract assets		29,927	44,161
- Tax assets		810	1,322
- Other receivables		648	6,077
- Prepayments and accrued income		2,598	1,612
Total current receivables		56,766	75,940
Cash and bank balances		155,573	214,650
Total current assets		349,636	392,732
Total assets		468,898	489,958

Balance sheet for the parent company continues on next page

Balance sheet for the parent company continued

TSEK	Note 31 Dec 2021	31 Dec 2020
Equity and liabilities		
Equity		
Restricted equity		
- Share capital	2,710	2,318
- Fund for development expenses	54,273	48,091
Non-restricted equity		
- Share premium reserve	530,037	404,559
- Retained earnings	-229,913	-148,281
- Profit for the period	-114,809	-75,450
Total equity	242,298	231,237
Provisions		
- Other provisions	-	188
Total provisions	-	188
Non-current liabilities		
- Bonds	197,070	194,000
- Liabilities to credit institutions	5,700	7,601
Total non-current liabilities	202,770	201,601
Current liabilities		
- Advances from customers	611	10,887
- Trade payables	9,831	34,361
- Current tax liabilities	273	803
- Other current liabilities	5,190	3,519
- Accruals and deferred income	7,924	7,362
Total current liabilities	23,830	56,932
Total equity and liabilities	468,898	489,958

Note 1 Accounting policies

This consolidated interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions in the Swedish Annual Accounts Act. The interim report for the parent company has been prepared in accordance with Chapter 9, Interim Financial Reports, in the Swedish Annual Accounts Act.

The same accounting policies and methods of computation have been applied for the Group and the parent company as in the most recent annual report.

Disclosures in accordance with IAS 34.16A appear in the financial statements and their accompanying notes, as well as in other sections of this interim report.

Note 2 Key estimates and assessments

The company management and the Board have discussed the development, choice and information regarding the Group's important accounting policies and estimates, as well as the application of these policies and estimates.

Listed below are some important accounting assessments and estimates.

Leases

The Group has leases for both vehicles and premises. When ascertaining the size of leasing liabilities and leasing assets, assessments are required to determine whether it is reasonably certain that the Group will use the extension options. When assessing whether it is reasonably certain that extension options will be used for the premises, the Group has taken into consideration its future growth, and based on this, it has determined how long it could use the current premises. As a result, the Group has determined that it is not reasonably certain that the Group will use its extension options. However, this is something that may change in the future and would then affect the size of the leasing liability and leasing asset.

Revenue recognition

Revenue is measured based on the consideration specified in the contract with the customer. The Group recognises revenue when control over goods or services transfers to the customer. Assessments are required to determine the time when control is transferred, i.e. a point in time or a period of time. For contracts that have been signed with customers, the Group assessed that some of these contracts meet the requirements for revenue recognition over time, while others do not. Consequently, revenues from some contracts are recognised over a period of time and not at a point in time, while revenues from other contracts are recognised based on performance obligations being met at a point in time.

Note 3 Operating segments and revenue allocation

The Group's business is divided into operating segments based on the parts of the business monitored by the company's chief operating decision-maker. This is known as a management approach. The Group's internal reporting is structured so as to allow Group management to follow up on the operations in their entirety. Based on this internal reporting the Group has identified that the Group only has one segment.

Revenue streams

The Group generates revenue from its two product lines, Production Equipment and Solar Roofs. The Production Equipment product line is divided into the sale of production equipment for solar cell production, the process for solar cell production and the service of the production equipment. The Solar Roofs product line includes the sale and installation of solar panels and solar roofs, as well as replacement roofs.

Breakdown of revenue from contracts with customers

The breakdown of revenue from contracts with customers into major product and service areas is summarised below.

Product line	Production	Equipment	Solar Roofs		Total	
Product/service area	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Production equipment for solar cell production	53,996	22,620	-	-	53,996	22,620
Process for solar cell production	-	31,873	-	-	-	31,873
Service and support	2,908	6,203	-		2,908	6,203
Solar Roofs	-	-	37,502	10,694	37,502	10,694
Other	-	-	-	563	-	563
Total	56,904	60,696	37,502	11,257	94,406	71,954

Geographic areas

	Product line	Production	Equipment	Solar Roofs		Total	
Geographic area		Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Sweden		-	140	29,482	9,798	29,482	9,938
China/Hong Kong		45,646	36,141	-	-	45,646	36,141
EU		51	1,355	7,876	1,513	7,927	2,868
Rest of the world		11,207	23,060	144	-54	11,351	23,006
Total		56,904	60,696	37,502	11,257	94,406	71,954

Revenue from external customers refers to individual countries using the country where the customer is based.

In 2021 the company had one customer that accounted for more than 10% of its revenues. Sales to this customer totalled TSEK 41,778.

The Group's non-current assets are mostly located in Sweden, but the Group's subsidiary, Midsummer Italia S.I.r., has also made investments in its premises in Italy.

The Group's total property, plant and equipment, and intangible assets amount to TSEK 195,435, which includes TSEK 169,218 in Sweden and TSEK 26,217 in Italy.

Note 4 Fair value of financial instruments

The carrying value of all financial assets and liabilities provide a reasonable approximation of fair value.

Note 5 Correction

There was double counting of inventories for the parent company in the Year-End Report and Annual Report for 2020. This has been corrected in this report by adjusting the opening balance as at 1 January 2021.

The opening balance for inventories has been adjusted down from TSEK 115,197 to TSEK 102,142 in the balance sheet.

Change in goods in progress, finished goods and work in progress in the income statement for the full year 2020 has been adjusted down from TSEK 30,365 to TSEK 17,310.

This means that profit for the year for the full year 2020 in the parent company has been adjusted from TSEK -62,395 to TSEK -75,450.

The adjustment of inventories in the parent company has not had any impact on the consolidated financial statements.

This correction was also communicated in the interim reports for 2021.

Future reporting dates

- 2021 Annual Report 22 April 2022
- Interim report Q1 18 May 2022
- Annual General Meeting 7 June 2022
- Interim report Q2 31 August 2022
- Interim report Q3 16 November 2022
- Year-end report 2022 24 February 2023

Certification

The Board of Directors and the Chief Executive Officer hereby certify that this year-end report provides an accurate overview of the operations, position and earnings of the Group and the parent company and that it describes the material risks and uncertainties faced by the parent company and the Group companies.

Signatures/submission of the report

Stockholm 25 February 2022

Jan Johansson

Chairman of the Board

Philip Gao

Board Member

Jan Lombach

Board Member

Johan Magnusson

Board Member

Lisa Pers-Ohlsén

Board Member

Claes Hofmann

Board Member

Review

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

Definitions and descriptions of alternative key performance indicators

The company presents some financial measures in this interim report that are not defined under IFRS. The company believes that these measures provide valuable supplemental information for investors and the company's management as they enable the evaluation of the company's performance.

Operating profit

Operating profit is profit before net financial items and taxes.

Operating profit is a measure that aims to show profitability in operating activities.

EBITDA

Operating profit before depreciation/amortization and impairment.

EBITDA is a measure that the Group regards as relevant for investors who wish to understand the earnings generated before investments in non-current assets.

Operating margin

Operating profit/Net sales

Operating profit is a measure that aims to show profitability in operating activities.

EBITDA margin

EBITDA/Net sales

EBITDA margin is a measure that the Group regards as relevant for investors who wish to understand the earnings generated in relation to sales before investments in non-current assets.

Equity/assets ratio

Equity in relation to total assets.

The equity/assets ratio is a key performance indicator that shows the proportion of the assets that are financed with equity and can be used as an indication of the company's long-term solvency.

New orders

The value of orders received and changes to existing orders during the current period.

Order book

The value of existing orders at the end of the current period.

EBITDA	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Operating profit	-111,001	-74,488	-39,430	-33,370
Depreciation/amortisation and impairment of property, plant and equipment and intangible				
assets	38,226	24,445	10,212	-1,833
EBITDA	-72,775	-50,043	-29,217	-35,204

Operating margin	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Operating profit	-111,001	-74,488	-39,430	-33,370
Net sales	94,406	71,954	18,657	5,966
Operating margin	Negative	Negative	Negative	Negative

EBITDA margin	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
EBITDA	-72,775	-50,043	-29,217	-35,204
Net sales	94,406	71,954	18,657	5,966
EBITDA margin	Negative	Negative	Negative	Negative

Equity/assets ratio	Jan-Dec 2021	Jan-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Total equity	252,956	255,933	252,956	255,933
Total assets	491,236	520,394	491,236	520,394
Equity/assets ratio	51.49%	49.18%	51.49%	49.18%