

Interim report

July – September
2023



The refinancing continues and is nearing completion

Lower cost of capital and eliminated currency risk

During the quarter, the company completed the repayment of the bonds SOLT2 and SOLT3, extended the repayment date for SOLT4, and carried out a rights issue that raised SEK 35 million. The company installed 6.5 MW of solar power plants, which contributed to a reduction in CO2 emissions of approximately 43,000 tons and signed new contracts for an additional 16.5 MW. Financially, the quarter showed sales of SEK 65.7 million and a profit after financial items and tax of SEK 3.9 million, affected by a negative currency effect of SEK -7.0 million.

The quarter, in short

July 1st – September 30th

- The company have fully repaid the bonds SOLT2 and SOLT3.
- The Company has initiated a written procedure with an extension of the repayment date for the bond SOLT4.
- The remaining amount of the directed issue has been paid to the company. Total amount paid for the share issue, before issue costs, amounted to SEK 141 million. The share issue is registered with the Swedish Companies Registration Office (Bolagsverket).
- The company has carried out a rights issue, a so-called repair issue. The amount paid, before issue costs, amounted to SEK 35 million.
- The company installed a total of 6.5 (10.0) MW of roof-based solar energy plants and had 258.4 (230.2) MW installed capacity at the end of the quarter.
- 69 (69) million kWh were produced which reduced CO2-related emissions by approximately 43,000 (43,000) tonnes.
- At the end of the quarter, the company had 58 (46) MW in subscribed orders, as well as projects in the pipeline of 125 (125) MW.
- The company signed 4 (3) contracts amounting to a total installed capacity of 16.5 (8.7) MW.
- The company hires Erik Penser Bank as liquidity provider.

The quarter, in numbers

July 1st – September 30th

- Revenues (sales of electricity and subsidies) amounted to SEK 65.7 (72.5) million.
- Net sales (sales of electricity to customer and Grid) amounted to SEK 54.1 (54.7) million.
- Other operating income (subsidies and resale of electricity) amounted to SEK 11.7 (17.8) million.
- Operating expenses amounted to 35.9 (32.0) MSEK.
- Operating profit for the quarter amounted to SEK 29.9 (40.5) million.
- Interest expenses and similar income items amounted to SEK 19.0 (36.0) million.
- Profit for the year after financial items and tax amounted to SEK 3.9 (20.7) million and was impacted by a currency effect of SEK -7.0 (16.1) million. Adjusted for this item, profit for the year amounted to SEK 10.9 (4.6) million.

- Total cash flow for the quarter amounted to SEK -22.5 (-29.8) million.
- Earnings per share before dilution amounted to SEK 0.08 (0.52).
- The number of employees at the end of the period was 18 (18).

Year-to-date, in numbers

January 1st – September 30th

- Revenues amounted to SEK 171.9 (163.8) million.
- Net sales amounted to SEK 140.2 (126.5) million.
- Other operating income amounted to SEK 31.7 (37.3) million.
- Operating expenses amounted to 112.0 (91.6) MSEK. The single largest item to the increase is extraordinary costs, amounted to SEK 7.2 million, in connection with the extension of the SOLT2 and SOLT5 bonds.
- Operating profit for the quarter amounted to SEK 59.9 (72.1) million. Adjusted for extraordinary costs in connection with the extension of the bonds, the operating profit amounted to SEK 67.1 million.
- Interest expenses and similar income items amounted to SEK 101.6 (102.5) million.
- Profit for the year after financial items and tax amounted to SEK -70.4 (36.4) million and was impacted by a currency effect of SEK -28.7 (64.4) million. Adjusted for this item, profit for the year amounted to SEK -41.1 (-28.1) million.
- Total cash flow for the quarter amounted to SEK -6.1 (-94.4) million.
- Earnings per share before dilution amounted to SEK -1.60 (0.93).

Significant events after the end of the period

- SOLT4 Bond extended at company's request, which means that the final repayment date for the bond will be extended to November 8, 2024.
- The share issue is registered with the Swedish Companies Registration Office, and the total number of shares after the issue amounts to 57,197,225.
- The company appoints Stefan Salomonsson as new CFO, replacing Lars Höst, who has continued as acting CFO.
- The company signed 3 contracts amounting to an installed capacity of 2.4 MW.

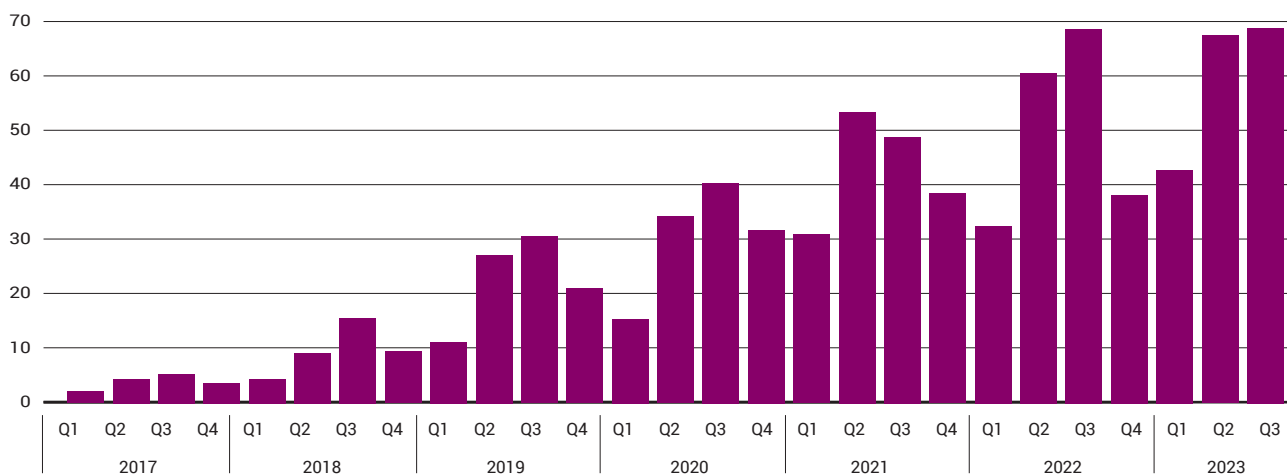
Key performance measures

	230701-230930	220701-220930	230101-230930	220101-220930	220101-221231
Financial Key performance measures (*)					
Total revenue	65,714	72,494	171,900	163,764	203,849
Net revenue	54,054	54,704	140,222	126,500	156,972
Net revenue share of total revenue	82%	75%	82%	77%	77%
EBIT	29,859	40,484	59,855	72,151	79,428
EBIT%	45%	56%	35%	44%	39%
EBITDA	48,675	57,846	115,997	121,255	149,115
EBITDA%	74%	80%	67%	74%	73%
Gross margin	56,255	65,970	147,016	144,562	177,918
Gross margin%	86%	91%	86%	88%	87%
Amortization of capitalised borrowing costs	442	7,028	8,555	20,836	27,793
Interest expenses	17,548	25,014	83,484	69,883	94,308
Earnings per share for the period before dilution, SEK	0.08	0.52	-1.60	0.93	-0.75
Earnings per share for the period after dilution, SEK	0.07	0.49	-1.60	0.88	-0.75
Operational Key performance measures (*)					
Produced electricity, millions of kWh	69	69	179	162	200
Reduction of CO2-related emissions, tonnes	43,000	43,000	112,000	101,000	125,000

	2023-09-30	2022-09-30	2022-12-31
Financial Key performance measures			
Interest-bearing debt	1,084,455	1,092,792	1,127,561
Net interest-bearing debt	1,029,830	1,017,629	1,066,767
Equity ratio	30%	31%	26%
Equity ratio, rolling 12 months	26%	30%	30%
Operational Key performance measures			
Installed capacity, MW	258.4	230.2	250.1
Average remaining contract time, years	16.1	17.2	16.8
Signed orders, MW	58	46	37

(*) Definitions of Key Performance Measures, see note 3

Produced electricity in millions of kWh



“We have successfully repaid our bonds SOLT2 and SOLT3.”



The refinancing leads to significantly lower capital costs

During the last quarter, we have reached some important milestones, especially regarding our financing.

We have successfully repaid our bonds SOLT2 and SOLT3 and have in total, including SOLT5 which was repaid in June, so far refinanced and repaid outstanding bonds of close to SEK 1 billion. We are now working on the refinancing of our last outstanding bond, SOLT4 of just over SEK 70 million and, with the consent of the bondholders, have extended the maturity date of this bond to 8 November 2024, which gives us flexibility in our financial planning. As part of the refinancing of the bonds, we carried out two new share issues during this and the previous quarter, a directed share issue in June and a rights issue in September totaling SEK 176 million.

Solar irradiation has been weaker than usual during the quarter, a normal deviation that can occur meteorologically from time to time. The volume of kWh produced was thus at the same level as the corresponding quarter in 2022 despite a 13% higher average installed capacity. However, our installed solar capacity has continued to grow. During the quarter, we installed 6.5 MW rooftop solar plants, and our total installed capacity at the time of writing is 273 MW and is in line with our communicated target of reaching 290 MW by the end of the first quarter of 2024. During the quarter, we produced

solar electricity, which resulted in a reduction in CO2-related emissions of approximately 43,000 tonnes.

The refinancing in China has resulted in significantly lower financing costs, which in turn has significantly improved our financial forecasts. Interest expenses have basically been halved and our assessment is that we will be able to further reduce costs by SEK 55 million 2024, compared to 2023.

Our success in the market has also been challenged by tougher competition. However, thanks to our ability to secure lower financing costs after refinancing in China, we are well equipped to meet this challenge. This gives us a competitive advantage and the opportunity to maintain our position as a trusted and leading player in the solar energy sector

The key interest rate in China continues to fall and the authorities are promoting investments in renewable energy. The IMF's (International Monetary Fund) latest report (published on November 7, 2023) on China's economy, points to a post-COVID-19 recovery, with expected growth of 5.4% in 2023, up from the previous forecast of 5.0%. In 2024, growth in China is expected to decline slightly to 4.6% as a result of weaknesses in the property market and subdued external demand.

COMMENTS FROM THE CEO

We see positive trends in the global solar energy market. We are well positioned to take advantage of this growth, which will increase supply and continue to drive down solar panel prices. At the same time, higher requirements are set for carbon dioxide emissions and there are plans for increased emissions trading, which may constitute a new significant revenue stream for the company.

The most important message is that a greatly improved financing situation creates better profitability and a good platform for continued expansion. In this dynamic business environment, our ability to adapt and make strategic decisions is crucial. We look to the future with optimism and commitment to continue to deliver results and create value for our shareholders and partners.

Thank you for your support and commitment to our shared success.

Max Metelius
CEO

Business model, market and customers

Advanced Soltech Sweden AB (publ) ("ASAB") has a clear cut business model and access to a very large market with many potential customers, both among private companies and state-owned businesses.

Vision

ASAB was founded with the goal of accelerating the transition to renewable energy in China by offering electricity generated from solar energy as a service. The vision is to become a driving force in sustainable energy production to secure a better future for the planet and future generations.

Mission

ASAB's mission is to finance, install, own and operate solar energy installations to generate electricity on customers' roofs and then sell the electricity generated to the customer, the company that conducts operations in the building. ASAB will offer customers in industry, commerce and public administration an easy way to replace a significant part of their electricity consumption with locally generated solar energy at a discounted price compared to the grid price. The systems are installed through a local network of installers and dealers in China. Operations are financed via the parent company, ASAB.

Business model

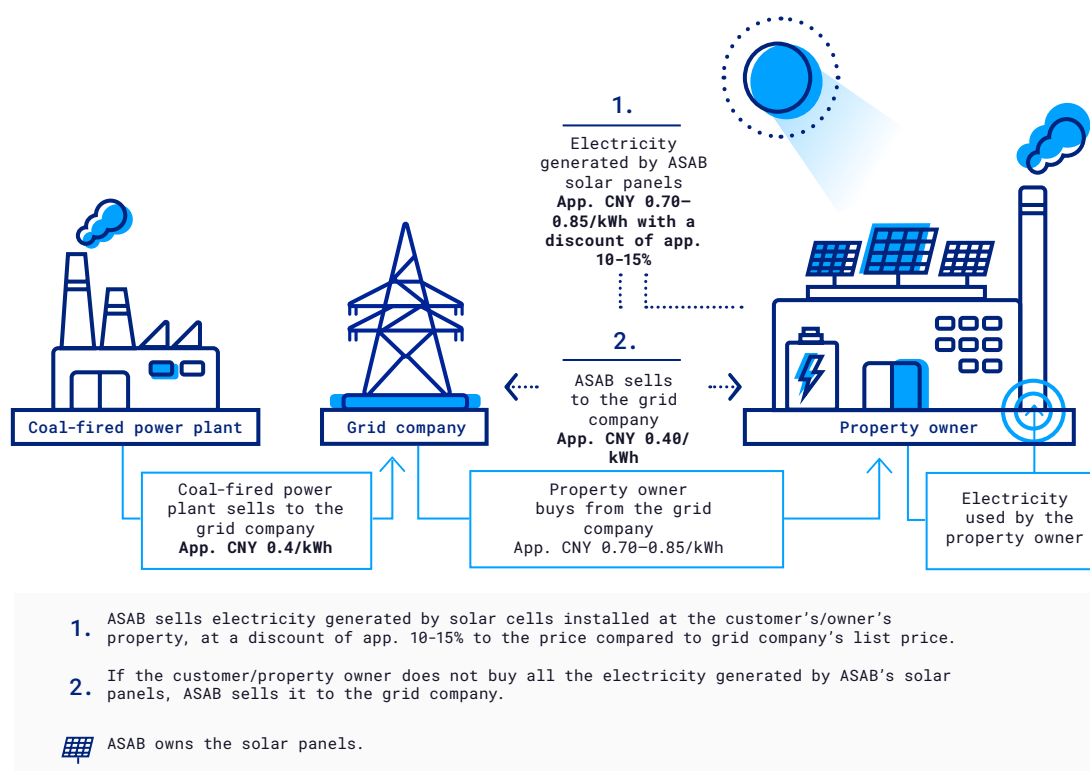
Customers, who are owners of large properties, enter into 20-year contracts with ASAB, whereby the customer commits

to buy, at a pre-agreed price, the electricity generated by the system. Electricity purchased from ASAB's system is priced at a discount of approximately 10–15 percent compared to the price the customer pays for electricity from the grid. The electricity that the customer does not buy is sold to the grid, ensuring an almost 100 percent uptake of the electricity generated by ASAB's projects.

On expiry of the 20-year contract period, the contract is automatically extended by five years, unless the customer chooses to terminate the contract and requests to discontinue occupancy. The customer may also purchase the system at a pre-agreed price. If a property where the system is installed is sold during the contract period, the customer must either buy the system from ASAB or, subject to ASAB's approval, ensure that the new property owner takes over the contract.

Subsidies

Although ASAB's business model is commercially feasible, subsidies are another source of income. The subsidy amount for a specific project is determined before the construction of the solar energy plant begins, when the local grid operator evaluates the design of the project. The commitment of the authorities to pay subsidies includes both an interest rate, the CNY amount per kWh generated and a duration, the number of years that the state unit undertakes to pay subsidies. The duration of the subsidies varies between two and 20 years, depending on whether the subsidies come from the district and city level or from the state or regional level.



ABOUT ADVANCED SOLTECH

In April 2021, new rules were introduced which mean that no new facilities receive subsidies. This was an expected development, as the facilities currently show a good return without subsidies. Already approved subsidies, however, remain in place for the lifetime of the contract.

Market

When ASAB evaluates which regions the company wants to be present in, there are three main factors to take into consideration, solar irradiation, the local electricity price and the accessible customer base. All of these factors are important for ASAB to achieve long-term profitability in its operations. ASAB's market consists entirely of China, primarily the country's eastern regions, which are also the most industrialized and economically developed. This region provides an ideal mix of customer base, electricity prices and solar irradiation.

China's political leadership has over time made several decisions aimed at reducing the country's dependence on coal, a resource that today supplies more than 60 percent of the electricity production. The so-called 30–60 target means that carbon dioxide emissions will begin to decrease from 2030 and that the country will be completely climate-neutral by 2060.

An important part of the transition to carbon neutral economy will be based on solar energy, and in June 2021 a directive was issued stating that a large part of the suitable roof surfaces that are available will be covered with solar panels. The directive, issued by the Chinese Energy Agency, sets a goal that at least 50 percent of the available roof area of buildings that house government operations should be covered with solar panels. For public buildings, such as schools and hospitals, the corresponding target is at least 40 percent and for commercial and industrial buildings at least 30 percent. Although ASAB does not yet know the details of how this will be put into practice, the general perception in the market is that the directive is very positive for the solar energy sector.

ASAB also sees that both foreign and Chinese investors are now beginning to take an interest in the business model with roof-based solar energy that the company offers. Although this will in the long run mean increased competition, ASAB sees it primarily as a confirmation that the company is

working according to the right strategy. ASAB also has an advantage in the form of an established and functioning organization with great trust among customers, something that takes time to build.

Customers

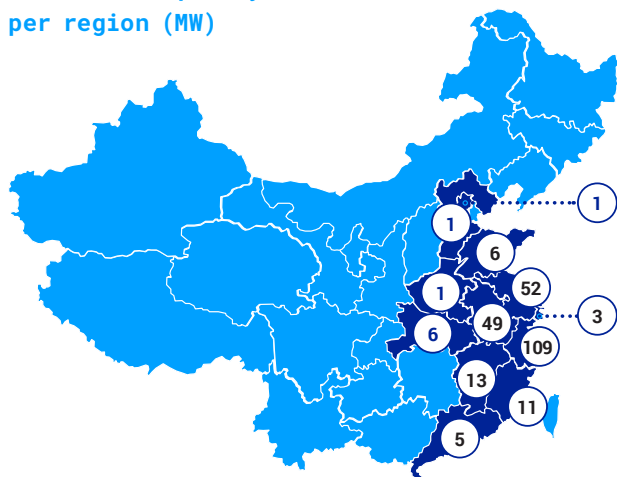
ASAB's customers are active in a wide range of areas, from the automotive and textile industries to brewing operations, but also in government operations. In total, just over 80 percent of customers are active in the private sector. What the customers have in common is that they are extensive organizations with a large number of employees. A customer base with mainly large customers, also spread across different industries, gives ASAB's operations long-term stability. A prerequisite for ASAB, however, is that customers have access to large free roof areas, as a photovoltaic system on average takes up approximately 15,000 square meters. Those of ASAB's customers who today have the largest installed capacity are found in machine manufacturing and the basic industry and are in the range of 100 to 500 employees (for more detailed information, see the tables below).

The reason why customers choose ASAB is that they get access to green electricity in an easy way and at a lower price than the electricity they can buy from the grid. Today, the company has 167 customers, which means that the counterparty risk is very diversified, something that distinguishes ASAB from similar companies which sell to the public electricity grid and thus has a weaker negotiating position and only one off-taker.

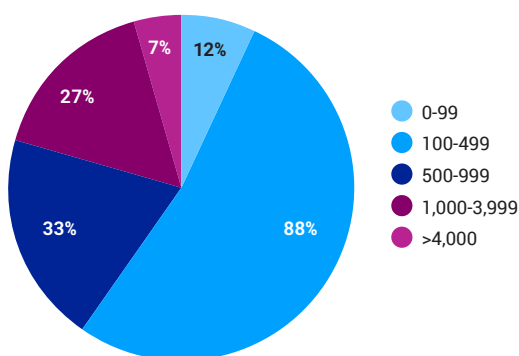
The rapid growth and conversion to alternative energy sources give ASAB, which has proven experience in identifying suitable solar energy projects, coupled with efficient installation methods, good opportunities for continued profitable development. The risks that exist in the market are mainly associated with the fact that the infrastructure, including electricity production, is strongly regulated and dependent on permits and ultimately political decisions.

Another driving force is environmental benefits. Through its operations, ASAB contributes to a way of reducing climate emissions and major environmental benefits through reducing air pollution.

Installed capacity
per region (MW)



ASAB's customers – numbers of employees (FTE)



Financial information

The Board of Directors and the CEO for Advanced Soltech Sweden AB (publ) may hereby submit an Interim report for the period July – September 2023.

The Group's net sales and results for the quarter

- Revenues (sales of electricity and subsidies) amounted to SEK 65.7 (72.5) million, a decrease of 9 percent compared with the previous year. The installed base had been higher in 2023 than in 2022, but the solar radiation have been poorer in 2023 than in 2022. Currency effects impacted revenues by SEK -1.7 (9.4) million.
- Net sales (sales of electricity to customer and Grid) amounted to SEK 54.1 (54.7) million. Currency effects impacted net sales by SEK -1.4 (7.1) million.
- Other operating income (subsidies and resale of electricity) amounted to SEK 11.7 (17.8) million. The decrease is due to the fact that in 2022, grants for previous years were booked as one-off items. Currency effects impacted other operating income by SEK -0.3 (2.3) million.
- Operating expenses amounted to 35.9 (32.0) MSEK, an increase of 12 percent compared to the previous year. The major cost items are an increase in depreciation according to plan, maintenance costs and roof rents for solar energy facilities. In addition, during the year, the company began to purchase externally produced electricity, amounting to SEK 1.3 million, to be used for resale of the same. Currency effects impacted operating expenses by 1.0 (-3.3) MSEK.
- Operating profit for the quarter amounted to SEK 29.9 (40.5) million, a decrease of 26 percent compared with the previous year.
- Interest expenses and similar income items amounted to SEK 19.0 (36.0) million. The main differences compared to the previous year are that the bonds SOLT5, SOLT2 and SOLT3 were repaid in June, July and August, respectively, which resulted in significantly lower interest expenses. Interest expense from JS Leasing, with a much lower interest rate, has replaced the bond loans. In addition, the expense of amortization of capitalised borrowing costs and Chinese withholding tax, VAT and other taxes have decreased significantly. The main differences compared to the previous year are:
 - SOLT5 +15.3 MSEK, repaid in June
 - Expensing amortization of capitalised borrowing costs of SEK +6.5 million. All costs for the bonds were finally booked in previous quarters
 - Chinese withholding tax, VAT and other taxes SEK +3.0 million, due to repayment of intercompany loans and interest expenses largely discontinued, as a result of the refinancing of the bonds
 - SOLT2 +2.1 MSEK, repaid in July
 - SOLT3 +1.9 MSEK, repaid in August
 - JS Leasing SEK -11.7 million, which started in June 2023.
- The exchange rate difference amounted to SEK -7.0 (16.1) million and was mainly attributable to a change in CNY against EUR in connection with the refinancing of SOLT2 and the internal loans between ASAB and SQ. Looking forward, the exchange rate difference will decrease significantly as the majority of assets and liabilities denominated in EUR are settled.
- Profit after financial items and tax amounted to SEK 3.9 (20.7) million.

The Group's cashflow for the quarter

- The Group's total cash flow amounted to SEK -22.5 (-29.8) million.
- Current operations generated a cash flow of SEK 17.0 (99.0) million, where the largest change consists of an increase of accounts payable and decrease of short-term liability to ASP.
- Investment activities generated a cash flow of SEK -61.2 (-127.2) million, which for the most part consists of investment in new solar energy plants, SEK -56.5 (-123.5) million.
- Financing activities generated a cash flow of SEK 21.6 (-1.6) million, due to refinancing of SOLT2 and SOLT3 through new loan from JS Leasing, an increase of bank loan in China and a rights share issue.

The Group's financial standing and liquidity at the end of the period

- Total assets amounted to SEK 2,020 (1,973) million.
- Tangible fixed assets amounted to SEK 1,746 (1,707) million, which for the most part consists of solar energy plants.
- Financial fixed assets amounted to SEK 58 (37) million, which mainly consists of VAT receivables, which arose when the company invested in ongoing and new solar energy plants.
- Cash and bank amounted to SEK 55 (75) million.
- Equity amounted to SEK 609 (618) million.
- Long-term liabilities amounted to SEK 719 (137) million, mainly consisting of loans from JS Leasing.
- Current liabilities amounted to SEK 680 (1,204) million, where the largest items consist of bond loan SOLT4, short-term part of loans from JS Leasing, accounts payable and accrued costs for interest and installation projects.

The Group's net sales and results for the period January – September

- Revenues amounted to SEK 171.9 (163.8) million, an increase of 5 percent compared with the previous year. The increase is due to the installed base being higher in 2023 than in 2022. Currency effects impacted revenues by SEK 0.5 (20.5) million.
- Net sales amounted to SEK 140.2 (126.5) million, an increase with 11 percent. Currency effects impacted net sales by SEK 0.4 (15.9) million.
- Other operating income amounted to SEK 31.7 (37.3) million. Currency effects impacted other operating income by SEK 0.1 (4.7) million.
- Operating expenses amounted to 112.0 (91.6) MSEK, an increase of 22 percent compared to the previous year. The single largest item to the increase is extraordinary costs, amounted to SEK 7.2 million, in connection with the extension of the SOLT2 and SOLT5 bonds. Other major cost items are an increase in depreciation according to plan, maintenance costs and roof rents for solar energy facilities. In addition, during the year, the company began to purchase externally produced electricity, amounting to SEK 2.6 million, to be used for resale of the same. Currency effects impacted operating expenses by 0.1 (-9.8) MSEK.

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- Operating profit amounted to SEK 59.9 (72.1) million, a decrease of 17 percent compared with the previous year. Adjusted for extraordinary costs in connection with the extension of the bonds, the operating profit amounted to SEK 67.1 million.
- Interest expenses and similar income items amounted to SEK 101.6 (102.5) million. The improved and lower interest expenses, described above (The quarter in numbers), have been offset by higher interest rates as a result of the extension of the SOLT2, SOLT3 and SOLT5 bonds, as well as by increases in STIBOR, EURIBOR and the EUR exchange rate.
- The exchange rate difference amounted to SEK -28.7 (64.5) million and was mainly attributable to a change in CNY against EUR in connection with the refinancing of SOLT2, SOLT3 and SOLT5, and the internal loans between ASAB and ASRE/SQ.
- Profit after financial items and tax amounted to SEK -70.4 (36.4) million.

The Group's cashflow for the period January – September

- The Group's total cash flow amounted to SEK -6.1 (-94.4) million.
- Current operations generated a cash flow of SEK 22.7 (65.4) million, where the largest change consists of an increase of accounts payable.
- Investment activities generated a cash flow of SEK -97.4 (-166.2) million, which for the most part consists of investment in new solar energy plants, SEK -95.2 (-240.6) million.
- Financing activities generated a cash flow of SEK 68.6 (6.3) million, due to refinancing of SOLT5, SOLT2 and SOLT3 through new loan from JS Leasing, a directed share issue, a rights share issue and an increase of bank loan in China.

The parent company's numbers for the quarter

- Revenues amounted to SEK 1.0 (0.8) million, mainly invoiced service to the Chinese subsidiaries.
- Operating expenses amounted to SEK 5.1 (4.1) million.
- Operating profit amounted to SEK -4.1 (-3.3) million.
- Interest income and similar income items amounted to SEK 0.6 (18.9) million, mainly intercompany transactions. In June, all intercompany loans for ASRE were repaid, and in July, all intercompany loans for SQ were repaid. As a result of these transactions, interest income has decreased in July and ceased as of August.
- Interest expenses and similar income items amounted to SEK 4.0 (26.9) million. The company's bond loan was repaid in June for SOLT5, in July for SOLT2 and in August for SOLT3.
- Exchange rate difference amounted to SEK -4.8 (11.2) million.
- Profit after tax amounted to SEK -12.2 (-0.1) million.
- The number of employees at the end of the period was 4 (4).

The parent company's numbers for the period January – September

- Revenues amounted to SEK 3.0 (2.5) million, mainly invoiced service to the Chinese subsidiaries.
- Operating expenses amounted to SEK 21.4 (13.3) million. The single largest item to the increase is the cost in connection with the extension of the SOLT2 and SOLT5 bonds, amounted to approx. SEK 7 million.
- Operating profit amounted to SEK -18.4 (-10.7) million.
- Interest income and similar income items amounted to SEK 39.0 (57.4) million, mainly intercompany transactions. The decrease for the current year is due to the fact that the intercompany loans have decreased and then ceased during the

current quarter.

- Interest expenses and similar income items amounted to SEK 63.9 (77.6) million. The figure is based on an increased interest rate for the SOLT2 and SOLT5 bonds during the first half of the year, while the interest expense decreased significantly in the current quarter through the repayment of the SOLT2, SOLT3 and SOLT5 bonds.
- Exchange rate difference amounted to SEK 20.5 (34.8) million.
- Profit after tax amounted to SEK -22.8 (3.7) million.

Bond loans

As of September 30, 2023 ASAB's remaining bond loan is SOLT4, with redemption date November 8, 2023. Principal is 70.4 MSEK and the interest rate is 8.25%. Accrued interest expense as of September 30, 2023 is SEK 1,177 thousand. The bond SOLT4 was extended in accordance with the company's request, which means that the last day for repayment of the bond is postponed to 8 November 2024. As of November 9, 2023, the interest rate has changed to 10.25%.

Loan Jiangsu Financial Leasing Corp. Ltd. ("JS Leasing")

The company has entered into a financing agreement with JS Leasing for the refinancing of the bonds through a so-called "sale and leaseback" arrangement. The terms of the financing agreement are summarized as follows:

1. Loan amount CNY 540 million, of which CNY 430 million was paid to the company in June 2023. The remaining part, CNY 108 million and CNY 1 million was paid to the company in July and August 2023, respectively.
2. Annuity loan with repayment period over 7 years.
3. Floating rate of 6.95% as of December 31, 2023, consisting of a floating rate of 4.30 percent (China Loan Prime Rate 5 Year - LPR) plus a margin of 2.65 percent. When the LPR changes by at least +/- 0.25 percent is the loan's interest rate adjusted.
4. Payment of interest and amortization takes place monthly.
5. Tangible fixed assets with an installed capacity of 250 MW, sold by transaction to JS Leasing, with a repurchase option of RMB 1,000 at the end of the term.
6. The company have pledged the shares of ASRE and SQ as well as their 52 subsidiaries (SPV's), the account receivable connected to the 250 MW solar energy plants, to JS Leasing.

As of September 30, 2023, the current debt is SEK 93,556 thousand and the long-term debt is SEK 687,246 thousand. The principal liability is in CNY, and the amount above is per closing currency rate as of September 30, 2023.

Loan Haitong UniFortune Financial Leasing (Shanghai) Corporation ("HT Leasing")

The company has entered into a financing agreement with HT Leasing for the refinancing of the bonds through a so-called "sale and leaseback" arrangement. The terms of the financing agreement are summarized as follows:

1. Loan amount 14 MCNY, was paid to the company in September 2023. The remaining 4 MCNY will be paid to the company when the installation of the solar energy plant is completed.
2. Annuity loan with repayment period over 8 years.
3. Floating rate of 6.00% as of December 31, 2023, consisting of a floating rate of 4.30 percent (China Loan Prime Rate 5 Year - LPR) plus a margin of 1.70 percent. When the LPR changes by at least +/- 0.25 percent is the loan's interest rate adjusted.



ABOUT ADVANCED SOLTECH

- Payment of interest and amortization takes place monthly, apart for the first 5 months where no amortization takes place.
 - Tangible fixed assets with an installed capacity of 5.92 MW, sold by transaction to HT Leasing, with a repurchase option of CNY 100 at the end of the term.
 - The company have pledged the shares of Chuzhou Xinkai (SPV in ASRE Group), the account receivable connected to the 5.92 MW solar energy plants, to HT Leasing.
- As of September 30, 2023, the current debt is SEK 1,787

thousand and the long-term debt is SEK 19,446 thousand. The principal liability is in CNY, and the amount above is per closing currency rate as of September 30, 2023.

Bank loans in China

ASRE has six bank loans, as of 30 September 2023, according to the specification below. These loans have previously been continuously extended in six to twelve-month intervals, which we also expect will happen in connection with the maturity dates specified below. All loans are unsecured and short-term.

Bank loans in China

Bank	Principal CNY	Principal SEK	Interest Rate	Repayment Date
China Zheshang Bank	10,000,000	14,848,000	3.95%	2024-05-09
China Merchant Bank	12,000,000	17,817,600	3.95%	2024-08-27
China Merchant Bank	5,000,000	7,424,000	3.65%	2023-12-27
Industrial and Commercial Bank of China	5,000,000	7,424,000	4.57%	2024-09-10
China Merchant Bank	3,000,000	4,454,400	3.65%	2023-12-27
Bank of China	10,000,000	14,848,000	4.60%	2023-11-14
	45,000,000	66,816,000		

Other loans

ASRE has three outstanding loans to sellers of solar cell installations in China that were acquired in 2018. The three loans amount to SEK 11,994 thousand with an interest rate of ten percent, which is paid out annually. The capital debt is in CNY, and the amount is as of the closing currency rate on September 30, 2023.

Related party transactions

The Group has loan liabilities to its main owner Soltech Energy Sweden AB (publ), for SEK 29,305 thousand, and Advanced Solar Power (Hangzhou) Inc., for SEK 27,709 thousand. In 2023, the interest rates for the loans were three percent respectively zero percent. Accrued interest expense, per September 30, 2023 amounted to SEK 4,396 thousand respectively SEK 1,614 thousand. The capital debt and accrued interest are in EUR respectively CNY and are as of the closing currency rate on September 30, 2023. During the year, the company incurred interest expenses based on overdue accounts payable to Advanced Solar Power, with an interest rate of approx. 3 percent, amounted to SEK 2,078 thousand. All related party transactions have taken place on a market basis. The following related party transactions took place during the financial year.

Accounts payable other short-term liabilities and accrued expenses

As of September 30, 2023, the Group has outstanding accounts payable to Advanced Solar Power (Hangzhou) Inc,

amounting to SEK 280 million, which constitutes a current credit facility equivalent to an "overdraft facility". Of this SEK 280 million, SEK 104 million is due accounts payable, where ASP charges interest.

In addition, the Group has other current liabilities and accrued costs for the construction of new projects to Advanced Solar Power, of SEK 34 million and SEK 37 million, respectively. The company also has a loan to ASP of SEK 29 million, including accrued interest, described above. The original amounts are in CNY, are as of the closing currency rate on September 30, 2023.

Intra-group loans from ASAB to Advanced SolTech Renewable Energy (Hangzhou) Co., Ltd ("ASRE") and Longrui Solar Energy (Suqian) Co., Ltd ("SQ") respectively

ASAB has provided ten loans to ASRE regarding the funds from the SOLT Bonds and share issues. All ten intra-group loans to ASRE, including interest up to and including redemption date as of June 19, 2023, have been paid in June 2023. In total, during 2023, ASAB has charged interest of SEK 32.3 million in respect of the loans.

ASAB has provided three loans to SQ regarding the funds from the SOLT Bonds and share issues. All three intra-group loans to SQ, including interest up to and including redemption date as of July 18, 2023, have been paid in July 2023. In total, during 2023, ASAB has charged interest of SEK 6.7 million regarding the loans.

Related party transactions

SEK '000

Transaction	Counterpart	230101-230930	220101-220930	220101-221231
Purchase of solar panels	Advanced Solar Power (Hangzhou) Inc.	94,604	233,070	350,185
Purchase of service	Advanced Solar Power (Hangzhou) Inc.	13,945	11,396	14,886
Charged interest	Advanced Solar Power (Hangzhou) Inc.	2,078	686	1,056
Office rental	Advanced Solar Power (Hangzhou) Inc.	48	144	193
Charged interest	Soltech Energy Sweden AB (publ)	658	604	813
		111,334	245,900	367,133



Other information

The Group

The consolidated accounts cover the Swedish parent company Advanced Soltech Sweden AB (publ) ("ASAB") and the wholly owned subsidiaries:

- Advanced SolTech Renewable Energy (Hangzhou) Co., Ltd
- Longrui Solar Energy (Suqian) Co., Ltd
- Suqian Ruiyan New Energy Co., Ltd
- ST-Solar Holding AB

The Chinese subsidiaries are in their turn the parent companies of local Chinese companies, established in different regions of China. The business was established in 2014 as a joint venture between Soltech Energy Sweden AB and the solar panel manufacturer Advanced Solar Power Hangzhou Inc. ST-Solar Holding manages the Group's employee warrants. The parent company's operations are to finance the Group's solar energy facilities in China.

Risks

All entrepreneurship and ownership of shares is associated with risk-taking and the operations of ASAB is no exception. When assessing the company, it is important to consider a number of risk factors, a selection of which is presented below in a summary. See the Annual report 2022 for a more detailed description of the Group's risks. Below is described the changes from the Annual report 2022.

Currency risk

In connection with the Company's repayment of the SOLT5 bond, in respect of EUR 27 million, ASRE paid its entire loan debt including interest to ASAB, a total of EUR 59 million. During July and August 2023, the company has repaid the SOLT2 and SOLT3 bonds through partly a targeted new issue and partly the remaining liquid from the loan payment from JS Leasing. The proceeds from JS Leasing have been used so that SQ has repaid all of its loan debt including interest to ASAB, a total of EUR 11 million. After these transactions, the group has no material transactions in EUR.

The Group's operational activities are essentially conducted in China and revenue generation takes place in CNY, and the Group's financial commitments are also in CNY. This has reduced the group's currency risk.

Investment and refinancing

In October, the company received approval an extension of the SOLT4 bond, which means that the last day for repayment of the bond is postponed to 8 November 2024. This means that the company can work to secure the refinancing of SOLT4 in the long term.

Through the financing agreement with JS Leasing, the opportunity to finance oneself in China has changed in a positive way. The SOLT5 bond was an obstacle in the expansion for the company because both existing and new solar installations were pledged. Now tangible fixed assets of 250 MW of installed capacity are pledged as collateral,

while new facilities can be used for new financing. SOLT5 also limited the taking of new loans in China to 40 MCNY. Now the company can finance expansion with new financing in China, without being hindered by pledge of facilities.

The share and owners

The shares are listed for trading on Nasdaq OMX Stockholm, First North Growth Market. The number of shares as of September 30, 2023 amounted to 53,744,152. During the previous quarter, the company carried out a directed share issue of approximately SEK 141 million, before issue costs. The issue was registered with the Swedish Companies Registration Office during July and August respectively.

During August and September, the company had carried out a rights issue, a so-called repair issue, of approximately SEK 35 million, before issue costs. During October, the share issue have been registered with the Swedish Companies Registration Office (Bolagsverket), and the total number of shares after the issue amounts to 57,197,225.

Number of shares	230101-230930	220101-220930
Opening balance	39,640,390	38,747,539
Share issue	14,103,762	892,851
Closing balance	53,744,152	39,640,390

Average number of shares	230101-230930	220101-220930
Before dilution	43,621,969	39,091,452
After dilution	45,559,346	41,028,829

ASAB's major shareholder are:

Major shareholders 2023-09-30	Number of shares	Share capital	Share votes
SolTech Energy Sweden AB (publ.)	17,401,830	32.38%	32.38%
Advanced Solar Power Hangzhou Inc.	16,743,940	31.15%	31.15%
Isac Brandberg AB	2,016,665	3.75%	3.75%
The World We Want Foundation	1,580,767	2.94%	2.94%
Gryningskust Holding AB	803,436	1.49%	1.49%
Others	15,197,514	28.28%	28.28%
	53,744,152	100.00%	100.00%

ABOUT ADVANCED SOLTECH

Warrant program

On October 28, 2021, the Annual General Meeting resolved on four warrant programs, see table below. As of September 30, 2023, the total number of warrants that have been issued in the warrant programs corresponds to 3.48 percent of the share capital after the completion of the issues. This creates a potential dilution effect of 3.48 percent of the share capital after the completion of the issue. During the period, there have been no changes regarding the warrant programs.

Warrant program	Decided year	Number of warrants	Number of shares	Subscription period	Subscription price, SEK	Target group
LTIP 2021/2024 I EC	2021	542,466	542,466	241115-241216	36.45	Employees Sweden
LTIP 2021/2024 II EC	2021	406,849	406,849	241115-241216	36.45	Board of Directors Sweden
LTIP 2021/2024 I	2021	193,738	193,738	241115-241216	36.45	Employees China
LTIP 2021/2024 II	2021	794,324	794,324	241115-241216	36.45	Board of Directors China
		1,937,377	1,937,377			

Corporate governance

Advanced Soltech Sweden AB (publ) is a Swedish public limited company. The company is formed in Sweden and was registered with Bolagsverket 2016-03-30 and has conducted operations since then. The company follows the rules of the Swedish Companies Act (2005: 551) and other applicable laws and regulations in Stockholm, Sweden where the company has its registered office. In addition to this, the company applies Swedish and international accounting legislation that ensures that the financial reporting meets the requirements.

The basis for the company's operations is the Articles of Association. The object of the company's operations is to conduct financing of the Group's solar energy plants, but not such operations referred to in the Banking and Financing Operations Act and activities compatible therewith.

For more information, see Annual Report 2022, section "Corporate Governance".

Sustainability

Environmental responsibility

ASAB will offer environmentally friendly products and services that are produced with the least possible resource and energy consumption and with low environmental impact. All solar cells owned by ASAB are collected for recycling when they are used up. Wise resource management is a key word within the company and great focus is placed on resource use, regardless of whether it concerns energy, premises, waste, travel or transport, and to reduce these based on reasonable efforts. ASAB works systematically and prevents pollution through a goal-oriented environmental work that is an integral part of the company's culture. Current environmental requirements together with environmental aspects and environmental goals form the basis for our work.

Social responsibility

ASAB shall safeguard the integrity of the company's stakeholders and partners and handle information so that it is protected and managed in a responsible manner. We have a clear focus on sustainability, and we work to ensure that our partners are also expected to share our values and our code of conduct. It is through the employees' commitment, development and competence that we create a culture where we and our partners thrive. As an employer, we take our responsibility by offering each employee a developing and responsible job.

Other

Diversity enriches and we therefore work actively with diversity and gender equality issues. We support and follow the principles of the UN Global Compact initiative.

Forward-looking statements

All forward-looking statements in this report are based on the company's best judgment at the time of the report. Such statements, like all future assessments, contain risks and uncertainties, which may mean that the actual outcome will be different. In addition to what is required by current legislation, forward-looking statements only apply on the day they are made and the company does not undertake to update these in the light of new information or future events.

Auditor's review

This report has not been subject to review by the company's auditors.

Calendar

- Year-end report 2023, February 20th, 2024
- Interim report Q1 2024, May 16th, 2024
- Interim report Q2 2024, August 26th, 2024
- Interim report Q3 2024, November 14th, 2024



Income Statement

(SEK 000')	230701-230930	220701-220930	230101-230930	220101-220930	220101-221231
Net revenue	54,054	54,704	140,222	126,500	156,972
Other operating income	11,660	17,790	31,678	37,264	46,877
Total revenue	65,714	72,494	171,900	163,764	203,849
OPERATING EXPENSES					
Other external expenses	-12,606	-10,337	-42,062	-29,800	-40,016
Personnel expenses	-4,433	-4,311	-13,841	-12,709	-14,718
Depreciation, amortization and write-downs	-18,816	-17,362	-56,142	-49,104	-69,687
Total operating expenses	-35,855	-32,010	-112,045	-91,613	-124,421
Operating profit / EBIT	29,859	40,484	59,855	72,151	79,428
RESULT FROM FINANCIAL ITEMS					
Interest income and similar income items	50	63	101	307	409
Interest expenses and similar charges	-19,008	-36,015	-101,626	-102,466	-134,944
Currency gains and losses	-6,994	16,129	-28,684	64,457	20,051
Profit after financial items	3,907	20,661	-70,354	34,449	-35,056
Tax	-2	26	576	1,926	5,972
The result for the period	3,905	20,687	-69,778	36,375	-29,084
Attributable to the parent company's owners	3,905	20,563	-69,650	36,201	-29,426
Minority interest	0	124	-128	174	342
Earnings per share for the period before dilution, SEK	0.08	0.52	-1.60	0.93	-0.75
Earnings per share for the period after dilution, SEK	0.07	0.49	-1.60	0.88	-0.75
Weighted average number of outstanding ordinary shares	51,585,127	39,640,390	43,621,969	39,091,452	39,228,686
Weighted average number of outstanding ordinary shares after dilution	53,522,504	41,577,767	45,559,346	41,028,829	41,166,063

Balance Sheet

(SEK 000')	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Total intangible fixed assets	42,522	47,895	45,180
Total intangible fixed assets	42,522	47,895	45,180
Tangible fixed assets			
Solar PV installations	1,604,373	1,565,431	1,595,681
Solar PV installations under construction	139,057	138,860	125,899
Other tangible assets	2,138	2,720	2,734
Total tangible fixed assets	1,745,568	1,707,011	1,724,314
Financial assets			
Other long-term receivables	51,326	37,483	42,590
Deferred tax assets	6,349	1,491	6,421
Total financial fixed assets	57,675	38,974	49,011
Total fixed assets	1,845,765	1,793,880	1,818,505
Current assets			
Short-term receivables			
Accounts receivable	49,168	59,076	36,371
Other receivables	10,911	7,338	25,932
Prepaid expenses and accrued income	59,730	37,197	31,485
Total current receivables	119,809	103,611	93,788
Cash and bank balances			
Cash and bank balances	54,625	75,163	60,794
Total cash and bank balances	54,625	75,163	60,794
Total current assets	174,434	178,774	154,582
TOTAL ASSETS	2,020,199	1,972,654	1,973,087

Balance Sheet, continued

(SEK 000')	2023-09-30	2022-09-30	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	10,749	7,928	7,928
Ongoing new share issue	690	0	0
Additional paid in capital	735,577	569,427	569,427
Retained earnings including profit/loss for the period	-138,097	40,578	-56,445
<i>Equity related to:</i>			
Owners of the parent company	608,919	610,917	514,025
Minority interest in equity	0	7,016	6,885
Total equity	608,919	617,933	520,910
Provisions			
Deferred tax liability	12,783	13,326	12,928
Total provisions	12,783	13,326	12,928
Non-current liabilities			
Other non-current liabilities	11,994	74,821	73,782
Liabilities to credit institutions	706,692	0	0
Bond loan	0	62,302	0
Total non-current liabilities	718,686	137,123	73,782
Current liabilities			
Liabilities to credit institutions	150,083	42,344	55,563
Bond loan	70,370	887,917	963,358
Accounts payable	301,547	107,402	227,521
Tax liabilities	0	0	783
Other current liabilities	107,856	17,615	13,082
Accrued expenses and prepaid income	49,955	148,994	105,160
Total current liabilities	679,811	1,204,272	1,365,467
TOTAL EQUITY AND LIABILITIES	2,020,199	1,972,654	1,973,087

Changes in equity

230101-230930

(SEK 000')	Share capital	Ongoing share issue	Other contributed equity	Translation reserve	Retained earnings including profit for the period	Total	Minority share	Total equity
Opening balance	7,928	0	569,427	72,330	-135,660	514,025	6,885	520,910
Result for the period	0	0	0	0	-69,650	-69,650	-128	-69,778
Translation differences	0	0	0	-7,103	0	-7,103	-76	-7,179
Rights issue	2,821	690	172,055	0	0	175,566	0	175,566
Issue cost	0	0	-5,903	0	0	-5,903	0	-5,903
Transactions with minority interest	0	0	1,984	0	0	1,984	-6,681	-4,697
Closing balance	10,749	690	737,563	65,227	-205,310	608,919	0	608,919

220101-220930

(SEK 000')	Share capital	Other contributed equity	Translation reserve	Retained earnings including profit for the period	Total	Minority share	Total equity
Opening balance	7,750	552,860	37,570	-106,234	491,946	7,509	499,455
Result for the period	0	0	0	36,201	36,201	174	36,375
Translation differences	0	0	66,025	0	66,025	737	66,762
Rights issue	179	17,761	0	0	17,940	0	17,940
Issue cost	0	-1,194	0	0	-1,194	0	-1,194
Transactions with minority interest	0	0	0	0	0	-1,404	-1,404
Closing balance	7,928	569,427	103,595	-70,033	610,917	7,016	617,933

Cash flow analysis

(SEK 000')	230701-230930	220701-220930	230101-230930	220101-220930	220101-221231
Cash flows from operating activities					
Operating profit (EBIT)	29,859	40,484	59,855	72,151	79,428
Adjustment for depreciation, amortization and write-downs	18,816	17,362	56,142	49,104	69,687
Adjustment for items not included in the cash flow	-11,752	1,274	-23,275	6,040	6,838
	36,923	59,120	92,722	127,295	155,953
Interest received	51	63	101	307	409
Interest paid	-34,250	-46,379	-127,231	-87,655	-108,965
Income tax paid	1	-21	-209	-1,508	-1,509
	-34,198	-46,337	-127,339	-88,856	-110,065
Change in accounts receivables	-2,142	-3,730	-13,387	-18,196	1,985
Change in other short-term receivables	-8,751	-3,800	-8,996	-11,254	-13,563
Change in accounts payables	95,354	-31,923	77,625	-21,174	111,563
Change in other current liabilities	-70,151	125,662	2,081	77,555	30,955
Cash flow from working capital	14,310	86,209	57,323	26,931	130,940
Cash flow from operating activities	17,035	98,992	22,706	65,370	176,828
Investing activities					
Investments in tangible fixed assets	-56,536	-123,520	-95,205	-240,626	-359,201
Change in other financial fixed assets	-4,623	-3,685	-2,174	74,474	54,607
Cash flow from investing activities	-61,159	-127,205	-97,379	-166,152	-304,594
Financing activities					
Shareholders' contributions	145,616	0	175,566	18,000	17,940
Share issue cost	-5,503	54	-5,905	-1,254	-1,194
Net proceeds from new loans	208,721	25,713	886,844	40,513	70,594
Repayment of loans	-322,394	-27,316	-983,141	-49,516	-64,586
Payment of warrants	0	0	0	0	0
Transactions with minority interest	-4,788	-19	-4,788	-1,404	-1,406
Cash flow from financing activities	21,652	-1,568	68,576	6,339	21,348
Cash flow for the period	-22,472	-29,781	-6,097	-94,443	-106,418
Translation difference in cash and cash equivalents	-354	3,429	-72	8,882	6,488
Cash and cash equivalents opening balance	77,451	101,515	60,794	160,724	160,724
Cash and cash equivalents closing balance	54,625	75,163	54,625	75,163	60,794

Income Statement

(SEK 000')	230701-230930	220701-220930	230101-230930	220101-220930	220101-221231
REVENUES					
Net revenue	1,003	849	2,969	2,514	3,366
Other operating income	0	0	0	0	0
Total revenue	1,003	849	2,969	2,514	3,366
OPERATING EXPENSES					
Other external expenses	-1,850	-843	-11,081	-3,411	-5,551
Personnel expenses	-3,253	-3,288	-10,273	-9,844	-11,298
Depreciation, amortization and write-downs	-5	-1	-11	-3	-5
Total operating expenses	-5,108	-4,132	-21,365	-13,258	-16,854
Operating profit / EBIT	-4,105	-3,283	-18,396	-10,744	-13,488
RESULT FROM FINANCIAL ITEMS					
Interest income and similar income items	644	18,936	38,967	57,437	76,982
Interest expenses and similar charges	-3,965	-26,885	-63,882	-77,600	-105,649
Currency gains and losses	-4,757	11,171	20,522	34,772	44,168
Profit after financial items	-12,183	-61	-22,789	3,865	2,013
Group contributions	0	0	0	0	71
Tax	0	0	0	0	0
The result for the period	-12,183	-61	-22,789	3,865	2,084

Balance Sheet

(SEK 000')	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Fixed assets			
Tangible fixed assets			
Other tangible assets	62	14	48
Total tangible fixed assets	62	14	48
Financial assets			
Shares in group companies	698,410	665,695	698,410
Receivables from group companies	43,689	790,066	805,305
Total financial fixed assets	742,099	1,455,761	1,503,715
Total fixed assets	742,161	1,455,775	1,503,763
Current assets			
Receivables			
Receivables from group companies	3,275	65,175	49,842
Other receivables	1,601	558	672
Prepaid expenses and accrued income	655	1,152	715
Total current receivables	5,531	66,885	51,229
Cash and bank balances			
Cash and bank balances	39,232	17,191	1,235
Total cash and bank balances	39,232	17,191	1,235
Total current assets	44,763	84,076	52,464
TOTAL ASSETS	786,924	1,539,851	1,556,227

Balance Sheet, continued

(SEK 000')	2023-09-30	2022-09-30	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	10,749	7,928	7,928
Ongoing new share issue	690	0	0
Unrestricted equity			
Share premium fund	749,930	583,778	583,779
Retained earnings	-67,256	-69,339	-69,339
Profit (loss) for the year	-22,789	3,865	2,084
TOTAL EQUITY	671,324	526,232	524,452
Long-term liabilities			
Bond loan	0	70,370	0
Other long-term liabilities	0	31,181	31,995
Total long-term liabilities	0	101,551	31,995
Current liabilities			
Bond loan	70,370	890,066	970,120
Accounts payable	2,610	91	15
Liabilities to group companies	0	0	0
Other current liabilities	36,224	233	200
Accrued expenses and prepaid income	6,396	21,678	29,445
Total current liabilities	115,600	912,068	999,780
TOTAL EQUITY AND LIABILITIES	786,924	1,539,851	1,556,227

Notes

Note 1. Accounting and valuation principles

General accounting principles

The report and group accounting have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements ("K3"). The Financial Statements are stated in thousands of kronor (kSEK) unless otherwise stated. Rounding errors may occur. The parent company's accounting currency is Swedish kronor, which also constitutes the accounting currency for the group.

The same accounting principles and calculation bases as in the most recent annual report has been applied, apart from below.

Tangible fixed assets

Tangible fixed assets are reported at acquisition value reduced with accumulated depreciation and write-downs. The acquisition value consists of the purchase price, expenses that are directly attributable to the acquisition to bring it into place and in condition to be used, as well as estimated expenses for dismantling and removal of the asset and restoration of the place where it is located. Additional expenses are only included in the asset or are reported as a separate asset, when it is probable that future economic benefits associated with the item will accrue to the Group and that the acquisition value for it can be measured reliably. All other costs for repairs and maintenance as well as additional expenses are reported in the income statement in the period in which they arise.

The following depreciation periods are applied:

- Motor vehicles 4–5 years
- Solar PV installations 20–25 years
- Other fixed assets 3–5 years

Regarding the group's loan financing with leasing companies, the group has sold tangible fixed assets to the leasing company. The group continues to be responsible for, among other things, operations, insurance and invoicing. In addition, there is a repurchase clause at a symbolic value after the end of the loan agreement. The group has therefore not seen the legal sale of the solar cell installations as an accounting sale. In terms of accounting, these solar PV installations are still reported as tangible fixed assets, with depreciation according to plan. Regarding the loan from leasing companies, see "loan liabilities and accounts payables".

Loan liabilities and accounts payable

Loan liabilities are initially reported at acquisition value after deductions for transaction costs (accrued acquisition value). Differences the reported amount from the amount to be repaid at the due date, the difference is accrued as interest expense over the term of the loan using the instrument effective interest rate. This is consistent at the due date the reported amount and the amount to be repaid. Costs for raising bond loans are accrued over term of the loan.

Regarding the loan from leasing companies should the part of the loan that must be amortized within 12 months from the report date be classified as short-term, while the remaining amount is classified as long-term. Costs for taking on long-term loan liabilities are accrued over the term of the loan.

Short-term accounts payable are reported at acquisition value.

Note 2. Estimates and assessments

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under current circumstances. The estimates for accounting purposes that result from these, will by definition rarely correspond to the actual result.

The same estimates and assumptions as in the most recent annual report has been applied, apart from going concern assumption.

Going concern assumption

A basic accounting principle is the so-called principle of going concern where the parent company and the group's financial statements are prepared based on the assumption of continued operations.

As of June 30, 2023, the company has repaid SOLT5, through partial payment from Jiangsu Financial Leasing Corp. Ltd. During July and August 2023, the company has

repaid SOLT2 and SOLT3, respectively, through the remaining proceeds from Jiangsu Financial Leasing Corp. Ltd. and a directed issue of SEK 141 million, before issue costs. During October 2023, the last outstanding bond SOLT4 has been extended, in accordance with the company's request, which means that the last day for repayment of the bond is extended to November 8, 2024.

Based on the financing work that has been carried out, management and the Board of Directors judge that new financing can be secured in 2024, for the implementation of the company's business plan for the coming years. Important parameters in this assessment have been assessed to be financing needs based on cash flow forecasts, ongoing work with new financiers and the company's current and expected earnings trend during the year. If the company is not successful with new financing, the company believes that there is some uncertainty regarding going concern in the current business plan.

NOTES

Note 3.

Definition of key performance measures

Net revenue

Revenues related to sales of electricity to customers and the electricity grid. Net VAT and any discounts. The measure is used because it shows ASAB's revenues of electricity sales from own solar energy facilities.

Other operating income

Mainly income related to subsidies. To a lesser extent also other income such as investment grants from Chinese authorities, insurance claims and resale of purchased electricity. The measure is used because it shows ASAB's revenues from subsidies and income other than direct electricity sales from own solar energy facilities.

Net revenue share of total revenue, %

Net revenue as a share of total revenue. The measure is used since it helps to assess ASAB's reliance on electricity sales from own solar energy facilities in relation to other operating income, notably subsidies.

(SEK '000)	230701- 230930	220701- 220930	230101- 230930	220101- 220930	220101- 221231
Net revenue	54,054	54,704	140,222	126,500	156,972
Total revenue	65,714	72,494	171,900	163,764	203,849
	82%	75%	82%	77%	77%

Operating profit (EBIT)

Earnings before interest and taxes. The measure is used since it provides an overview of the profitability of the operations.

EBIT%

Earnings before interest and taxes as a percentage of total revenue. The measure is used since it shows operational profitability over time.

(SEK '000)	230701- 230930	220701- 220930	230101- 230930	220101- 220930	220101- 221231
EBIT	29,859	40,484	59,855	72,151	79,428
Total revenue	65,714	72,494	171,900	163,764	203,849
EBIT%	45%	56%	35%	44%	39%

EBITDA

Earnings before depreciation and amortization, financial items, and taxes. The measure is used to follow up the business's results generated by the day-to-day business and facilitates comparisons of profitability between different companies and industries.

(SEK '000)	230701- 230930	220701- 220930	230101- 230930	220101- 220930	220101- 221231
EBIT	29,859	40,484	59,855	72,151	79,428
Depreciation, amortization and write-downs	18,816	17,362	56,142	49,104	69,687
EBITDA	48,675	57,846	115,997	121,255	149,115

EBITDA%

EBITDA as a percentage of total revenue. The measure is used since it shows operational profitability over time, regardless of financing, depreciation and amortization.

(SEK '000)	230701- 230930	220701- 220930	230101- 230930	220101- 220930	220101- 221231
EBITDA	48,675	57,846	115,997	121,255	149,115
Total revenue	65,714	72,494	171,900	163,764	203,849
EBITDA%	74%	80%	67%	74%	73%

Gross margin

Total revenue less costs directly attributable to the company's solar energy facilities. The direct costs consist of, among other things, maintenance, roof rent and insurance. The measure is used to follow up direct profitability at the project level.

(SEK '000)	230701- 230930	220701- 220930	230101- 230930	220101- 220930	220101- 221231
Total revenue	65,714	72,494	171,900	163,764	203,849
Direct cost	9,459	6,524	24,884	19,202	25,931
Gross margin	56,255	65,970	147,016	144,562	177,918

Gross margin%

Gross margin as a percentage of total revenue. The measure is used to follow up direct profitability in relation to total revenue.

(SEK '000)	230701- 230930	220701- 220930	230101- 230930	220101- 220930	220101- 221231
Gross margin	56,255	65,970	147,016	144,562	177,918
Total revenue	65,714	72,494	171,900	163,764	203,849
Gross margin%	86%	91%	86%	88%	87%



NOTES

Interest expense

Interest expense and similar charges less amortization of capitalized borrowing costs, taxes relating to intra-group interest payments and withholding tax on interest payments from China. The measure is used since it enables assessment of whether ASAB can fulfil the commitments under its debt agreements.

(SEK '000)	230701- 230930	220701- 220930	230101- 230930	220101- 220930	220101- 221231
Interest expenses and similar charges	19,008	36,015	101,626	102,466	134,944
WHT, VAT & other taxes	1,018	3,973	9,587	11,747	12,843
Capitalised borrowing costs	442	7,028	8,555	20,836	27,793
Interest expenses	17,548	25,014	83,484	69,883	94,308

Amortization of capitalised borrowing costs

The item "Interest expenses and similar income items" includes this item as part and shows the cost of amortized borrowing costs attributable to, among other things, bond loans. The measure is used since it shows ASAB's expenses related to borrowings, excluding interest expenses.

(SEK '000)	230701- 230930	220701- 220930	230101- 230930	220101- 220930	220101- 221231
Interest expenses and similar charges	19,008	36,015	101,626	102,466	134,944
Interest expenses	17,548	25,014	83,484	69,883	94,308
WHT, VAT & other taxes	1,018	3,973	9,587	11,747	12,843
Amortisation of capitalised borrowing costs	442	7,028	8,555	20,836	27,793

Result per share

Profit after tax divided by the weighted average total of shares in the period.

Interest-bearing debt

The sum of current and non-current portion of bond debt, liabilities to credit institutions, liabilities to Group companies and other non-current interest-bearing debts. The measure is used since it shows ASAB's gross interest-bearing indebtedness. The table below does not include the loan debt to ASP, as it is an interest-free loan. As of 2023-06-30, the loan debt was SEK 27,905 (28,491) thousand.

(SEK '000)	2023-09-30	2022-09-30	2022-12-31
Short-term interest-bearing debt			
- Bank loan in China	66,816	42,344	55,563
- Loan Soltech Energy Sweden AB	29,305	0	0
- Overdue Accounts Payable Advanced Solar Power (Hangzhou) Inc	103,936	44,275	60,068
- JS Leasing	93,556	0	0
- HT Leasing	1,787	0	0
- Bond loans	70,370	895,295	971,423
Sum short-term interest-bearing debt	365,770	981,914	1,087,054
Long-term interest-bearing debt			
- Loan Soltech Energy Sweden AB	0	27,840	28,377
- Loan private investors in China	11,994	12,668	12,130
- JS Leasing	687,246	0	0
- HT Leasing	19,446	0	0
- Bond loans	0	70,370	0
Sum long-term interest-bearing debt	718,686	110,878	40,507
Sum interest-bearing debt	1,084,455	1,092,792	1,127,561

Net interest-bearing debt

Interest-bearing debt less cash and bank balances. The measure is used because it enables assessment of whether ASAB has an appropriate financing structure and can fulfil the commitments according to its debt agreements.

(SEK '000)	2023-09-30	2022-09-30	2022-12-31
Interest-bearing debt	1,084,455	1,092,792	1,127,561
Cash and bank	-54,625	-75,163	-60,794
Net interest-bearing debt	1,029,830	1,017,629	1,066,767



NOTES

Equity ratio

Equity divided by total assets per closing balance for each reporting period. The measure is calculated based upon closing balance for each reporting period. The measure is used since it helps to assess ASAB's financial stability.

(SEK '000)	2023-09-30	2022-09-30	2022-12-31
Total equity	608,919	617,933	520,910
Total assets	2,020,199	1,972,654	1,973,087
	30%	31%	26%

Equity ratio, rolling 12 months

Equity divided by total assets per closing balance for each reporting period. The measure is calculated based upon the average of closing balance for the latest four quarters. The measure is used since it helps to assess ASAB's financial stability.

(SEK '000)	2023-09-30	2022-09-30	2022-12-31
Total equity 2021-12-31	0	499,455	0
Total equity 2022-03-31	0	510,041	510,041
Total equity 2022-06-30	0	577,444	577,444
Total equity 2022-09-30	0	617,933	617,933
Total equity 2022-12-31	520,910	0	520,910
Total equity 2023-03-31	488,685	0	0
Total equity 2023-06-30	471,536	0	0
Total equity 2023-09-30	608,919	0	0
Total assets 2021-12-31	0	1,752,905	0
Total assets 2022-03-31	0	1,719,031	1,719,031
Total assets 2022-06-30	0	1,828,884	1,828,884
Total assets 2022-09-30	0	1,972,654	1,972,654
Total assets 2022-12-31	1,973,087	0	1,973,087
Total assets 2023-03-31	1,983,224	0	0
Total assets 2023-06-30	2,005,599	0	0
Total assets 2023-09-30	2,020,199	0	0
	26%	30%	30%

Installed capacity, MW

Maximum amount of electric energy output that all operational solar energy plants in ASAB's portfolio can produce, expressed in megawatts. The measure is used since it helps to assess ASAB's earnings capacity.

Electricity produced, millions of kWh

Electric energy generated by all operational solar energy facilities in ASAB's portfolio and sold to customers over the period, expressed in millions of kilowatt hours. The measure is used because it allows for comparison of sold volumes over time, as ASAB's customers are invoiced per kWh of electricity used.

Reduction of CO2-related emissions, tonnes

Electricity produced multiplied by saved CO2 emissions per kWh. The measure is used because it shows ASAB's environmental benefits.

Signed agreements, MW

Planned installed capacity of all signed contracts in ASAB's project pipeline. The measure is used since it helps to assess ASAB's future earnings capacity and required investments from its near-term project pipeline.

Average remaining contract length, years

Average remaining contract length for Rooftop Agreements across all of ASAB's installed solar energy facilities. The measure is used since it helps assess the remaining contract value in ASAB's portfolio of solar energy facilities.



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