



Advanced
Soltech

Interim report

January – March
2022



Advanced Soltech was awarded the prize in China as “The most influential solar investment company 2021”

Electricity sales for the quarter increased by 30%

During the quarter, demand from Chinese customers remained high and new orders corresponding to 2.7 (16.1) MW were signed. During the quarter, Advanced Soltech's 151 (128) solar energy plants produced a total of 33 (31) million kilowatt hours, through which we reduced CO2 emissions by 20,000 (19,000) tonnes. We have continued to build new capacity in China and at the end of the period the total installed capacity amounted to 213.2 (182.4) MW.

The quarter, in short

January 1st – March 31st

- The company installed a total of 8.7 (5.8) MW of roof-based solar energy plants and had 213.2 (182.4) MW installed and revenue-generating capacity at the end of the quarter. During the quarter, the company decommissioned a plant, of 1.9 MW, as the roof structure was not strong enough after a fire.
- 33 (31) million kWh were produced, an increase of 5%, which reduced China's CO2-related emissions by approximately 20,000 (19,000) tonnes. During January and February, the weather in China was unusually bad, which had a negative effect on electricity production.
- At the end of the quarter, the company had 41 (31) MW in subscribed orders, as well as projects in progress of 125 (124) MW. During the quarter, the company chose to cancel three signed orders, amounted to 10.6 MW, when the properties changed owners.
- The company signed three contracts amounting to a total installed capacity of 6.5 MW.
- The company was awarded the prize in China as “The most influential solar investment company 2021” for the second year in a row.

The quarter, in numbers

January 1st – March 31st

- Revenues (sales of electricity and subsidies) amounted to SEK 32.7 (27.0) million, an increase of 21 percent compared with the previous year. The increase is due to a larger installed base of solar energy plants. Currency effects also had a positive effect on revenues of SEK 3.9 million.
- Net sales (sales of electricity) have increased with 30 percent from SEK 19.7 million to SEK 25.6 million.

- Other operating income (subsidies) has decreased from SEK 7.3 million to SEK 7.1 million.
- Operating expenses amounted to SEK 29.0 (19.9) million, an increase of 46 percent. The largest items to the increase are that costs for depreciation according to plan and maintenance and insurance premiums of solar energy plants have increased, and negative currency effect amounted to SEK 2.9 million.
- Operating profit for the quarter amounted to SEK 3.7 (7.1) million, a decrease of 48 percent compared with the previous year. On the revenue side, the reduction in operating profit is due to lower solar radiation and a higher proportion of electricity sold to the grid instead of to the customer. During the quarter, we also had non-recurring operating expenses of approximately SEK 1.6 million, which explains a large part of the decrease.
- Profit for the year after financial items and tax amounted to SEK -7.3 (15.0) million and is affected by a non-cash flow-affecting currency effect of SEK 20.9 (40.1) million. Adjusted for this item, profit for the year amounted to SEK -28.5 (-25.1) million.
- Total cash flow for the quarter amounted to SEK -100.2 (-45.4) million.
- The number of employees at the end of the period was 15 (14).
- According to the company's estimate, the effects of the Corona pandemic affected the company by SEK -0.6 (-0.6) million during the quarter.

Significant events after the end of the period

- Advanced Soltech's subsidiary, ASRE, has received an award for its investments of foreign capital into renewable energy in the QiangTang district of Hangzhou.
- The company signed three contracts amounting to an installed capacity of 9.6 MW.

Energy security – another important argument for continued investment in solar energy

A challenging quarter characterized by a stronger trend for solar energy



Despite a challenging environment with a lot of shutdowns due to COVID, we increased our connected capacity to 213 MW. During the first quarter, we also signed contracts for 3 new plants with a total capacity of 6 MW, which gives ASAB a very strong order book.

Our sales work in China is very successful. We currently have an order book with many very good projects, and we see a great demand for our offer. There are several competitors, but this is not something we see as curtailing our growth opportunities. There is strong support for our business from the Chinese authorities, who see both the importance of increased electricity production and reduced climate emissions. There is no shortage of business opportunities, what we need is long-term and stable financing that enables us to make full use of the business opportunities.

Therefore, our strategic work continues with a focus on creating a scalable capital structure with lower costs that enables us to grow quickly with good profitability. We are currently in extensive discussions with financial institutions for future financing of operations in local currency in China (CNY). Our assessment is that we can have a new capital structure in place before the turn of the year 2022/2023.

Solar irradiation during the quarter was weaker than normal in January and February, while March had normal irradiation. In terms of revenue, the first quarter is also always our weakest quarter during the year due to normal seasonal variations, as the sun is up for a shorter time during the winter.

During the quarter, we also had some operational challenges with a 1.9 MW plant that has taken out of use due to a fire at the customer. Unfortunately, this type of event becomes a natural part of a company that has almost 150 facilities.

Thanks to our size and diversification, however, we can handle this type of event in a good way and with a very limited loss of revenue. This year, and to protect ourselves even more against this type of event, we have increased the scope of our insurance coverage to reduce the general risk in the business.

The Chinese market was also affected during the first quarter renewed shutdowns and restrictions due to the pandemic. It is in every respect a temporary problem but has for us in the first quarter resulted in certain delays in the construction of facilities in combination with a larger share of electricity produced sold to the grid instead of to the customer.

The war in Ukraine does not adversely affect Advanced Soltech's market, rather has demand for solar facilities increased, as energy security has become another important argument for continued investments in solar energy.

Given the prevailing circumstances with renewed Covid in China and armed conflict between Russia and Ukraine, we are satisfied with being able to deliver continued growth. We also note that our business model is robust and can handle the great strains that the pandemic in China currently entails.

Despite the situation, we look to the future with confidence and now focus on growth under good profitability.

Max Metelius
CEO

Key performance measures

	220101-220331	210101-210331	210101-211231
Financial Key performance measures (*)			
Total revenue	32,679	27,040	153,526
Net revenue	25,584	19,708	117,350
Net revenue share of total revenue	78%	73%	76%
EBIT	3,684	7,114	60,674
EBIT%	11%	26%	40%
EBITDA	19,411	18,396	110,759
EBITDA%	59%	68%	72%
Amortization of capitalised borrowing costs	6,889	6,909	26,800
Interest expenses	22,161	21,412	87,085
Earnings per share for the period before dilution, SEK	-0.19	0.70	0.67
Earnings per share for the period after dilution, SEK	-0.19	0.70	0.66

Operational Key performance measures (*)

Produced electricity, millions of kWh	33	31	172
Reduction of China's CO2-related emissions, tonnes	20,000	19,000	107,000

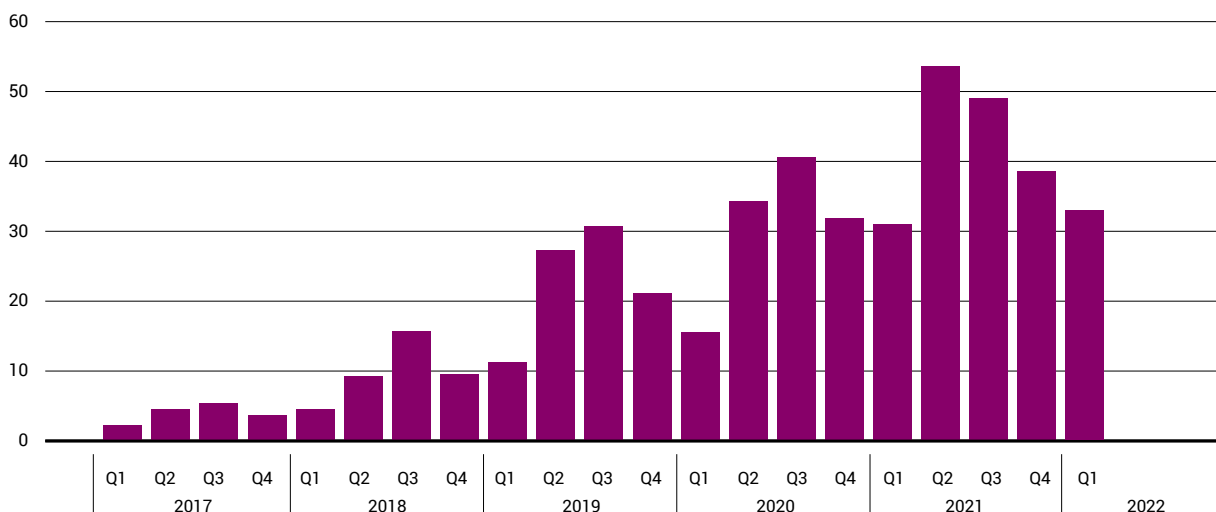
	2022-03-31	2021-03-31	2021-12-31
Financial Key performance measures			
Interest-bearing debt	1,036,184	983,922	1,031,130
Net interest-bearing debt	971,847	954,197	870,406
Equity ratio	30%	18%	28%

Operational Key performance measures

Installed capacity, MW	213.2	182.4	206.5
Average remaining contract time, years	17.7	17.4	17.9
Signed orders, MW	41	31	54

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

Produced electricity in millions of kWh



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.

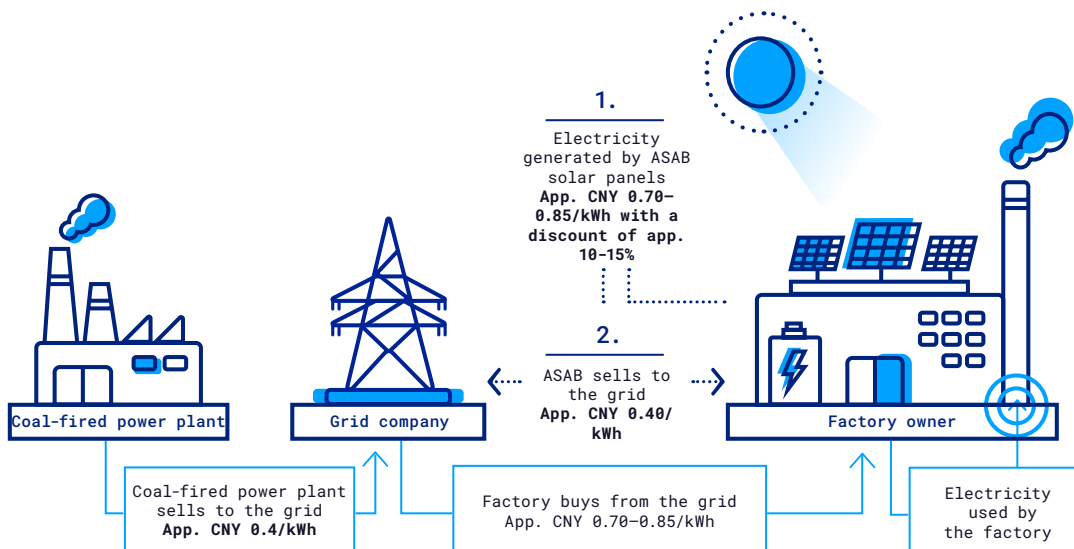
Business model

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



- ASAB sells electricity generated by solar cells installed at the customer’s/owner’s property, at a discount of app. 10–15% to the price the customer pays to the grid.
- If the customer/factory owner does not buy all the electricity generated by ASAB’s solar panels, ASAB sells it to the grid.

 ASAB owns the solar panels.



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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.

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

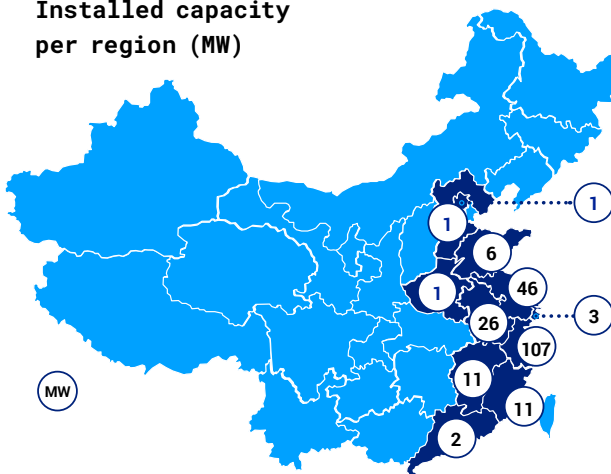
ASAB's customers are active in a wide range of areas, from the automotive and textile industries to brewing operations, but also in government operations. In total, just over 80 percent of customers are active in the private sector. What the customers have in common is that they are extensive organizations 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 142 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.

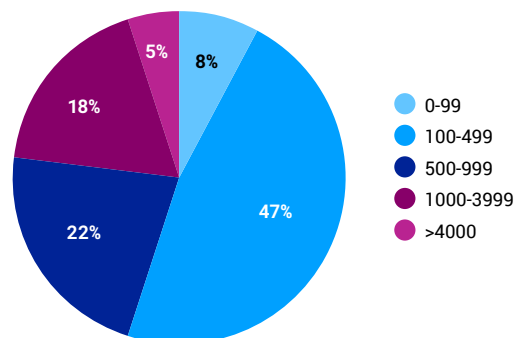
The rapid growth and conversion to alternative energy sources give ASAB, which has proven experience in identifying suitable solar energy projects, coupled with efficient installation methods, good opportunities for continued profitable development. The risks that exist in the market are mainly associated 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 for the group

The Board of Directors and the CEO for Advanced Soltech Sweden AB (publ) may hereby submit an Interim report for the period January – March 2022.

The Group's net sales and results for the quarter

- Revenues (sales of electricity and subsidies) amounted to SEK 32.7 (27.0) million, an increase of 21 percent compared with the previous year. The increase is due to a larger installed base of solar energy plants. Currency effects also had a positive effect on revenues of SEK 3.9 million.
- Net sales (sales of electricity) have increased with 30 percent from SEK 19.7 million to SEK 25.6 million.
- Other operating income (subsidies) has decreased from SEK 7.3 million to SEK 7.1 million.
- Operating expenses amounted to SEK 29.0 (19.9) million, an increase of 46 percent. The largest items to the increase are that costs for depreciation according to plan and maintenance and insurance premiums of solar energy plants have increased, and negative currency effect amounted to SEK 2.9 million.
- Operating profit for the quarter amounted to SEK 3.7 (7.1) million, a decrease of 48 percent compared with the previous year. On the revenue side, the reduction in operating profit is due to lower solar radiation and a higher proportion of electricity sold to the grid instead of to the customer. During the quarter, we also had non-recurring operating expenses of approximately SEK 1.6 million, which explains a large part of the decrease.
- Interest expenses and similar income items amounted to SEK 32.3 (32.3) million.
- Exchange rate difference amounted to SEK 20.9 (40.1) million and was mainly attributable to a change in SEK against CNY (-3.0 percent since December 31st, 2021) respectively SEK against EUR (-1.1 percent). For the same period last year, the change was for SEK against the CNY (-6.1 percent since December 31st, 2020) respectively SEK against EUR (-2.0 percent). The exchange rate difference arises through translation of assets and liabilities, with amounts in currency which is not the respective company's accounting currency. The amount is unrealized and do not affect the cash flow.
- Profit after tax amounted to SEK -7.3 (15.0) million.

The Group's cashflow for the quarter

- The Group's total cash flow amounted to SEK -100.2 (-45.4) million.
- Current operations generated a cash flow of SEK 71.0 (24.3) million, where the largest increase consists of the build-up of accounts payable and other current liabilities in connection with major installation projects.
- Investment activities generated a cash flow of SEK -29.2 (-69.1) million, which for the most part consists of investment in ongoing and new solar panels.
- Financing activities generated a cash flow of SEK 0.0 (-0.6) million.

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

- Total assets amounted to SEK 1,719 (1,355) million.
- Tangible fixed assets amounted to SEK 1,427 (1,092) million, which for the most part consists of solar energy plants.
- Financial fixed assets amounted to SEK 93 (107) million, which mainly consists of the VAT claim, which arises when the company invests in new solar energy plants.
- Cash and bank amounted to SEK 64 (30) million.
- Equity amounted to SEK 510 (239) million where the increase comes from issues during the year.
- Long-term liabilities amounted to SEK 279 (959) million, consisting of bond loans less capitalized borrowing costs, and loans from the two main owners and one smaller external loan. During the period, the bond loans SOLT2 and SOLT5 were reclassified to current liabilities.
- Current liabilities amounted to SEK 918 (149) million, where the largest items consist of bond loans, accounts payable as well as accrued expenses for interest expenses and installation projects.

The parent company's numbers for the quarter

- Revenues amounted to SEK 0.8 (0.0) million, mainly invoiced service to the Chinese subsidiaries.
- Operating expenses amounted to SEK 4.9 (3.0) million. The single largest reason is an increase in staff costs.
- Operating profit amounted to SEK -4.1 (-3.0) million.
- Interest income and similar income items amounted to SEK 19.2 (19.0) million, mainly intercompany transactions.
- Interest expenses and similar income items amounted to SEK 25.2 (25.1) million.
- Exchange rate difference amounted to SEK 5.4 (9.3) million.
- Profit after tax amounted to SEK -4.6 (0.1) million.
- The number of employees at the end of the period was 4 (4).

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Bond loans

In January 2019, ASAB issued its first institutional Green Bond, SOLT5. The proceeds from the bond issue have been used to finance solar panel facilities in China. SOLT5 was listed on the Nasdaq First North Sustainable Bond Market with a first trading day on March 21, 2019. The Group's total debt in the balance sheet for the item "Bond loan", both non-current and current, contains capitalized borrowing costs that is periodized with the same term as the respective bond loan. As of the balance sheet date, the remaining capitalized borrowing costs are SEK 28.5 million. Below is a specification of ASAB's bond loans.

Pledged collateral for bond loans

The issuer must ensure that all downstream loans that ASAB provides to the Chinese subsidiaries always will be pledged with the issuer as the beneficiary:

- pledge of the solar panel facilities owned by the Chinese subsidiaries (or its relevant subsidiaries) which are then financed by the downstream loans, except for assets with minority interests
- pledge by the Chinese subsidiaries (or its relevant subsidiaries) of receivables under the energy purchase agreements relating to the installation and operation of the solar power plants financed by the downstream loans, except such assets with minority interests.

Bond loan	ISIN	Currency	Principal		Booked value MSEK	Initial issue date	Redemption day	Interest rate	Interest payment periodicity (months)
			MEUR	MSEK					
SOLT2	SE0010831313	SEK		127.7	127.7	2018-03-01	2023-02-28	8.75%	6
SOLT3	SE0011231166	SEK		148.3	148.3	2018-07-10	2023-07-09	8.75%	6
SOLT4	SE0011721380	SEK		70.4	70.4	2018-11-10	2023-11-08	8.25%	6
SOLT5 (*)	SE0012012680	EUR	27.3		282.7	2019-01-25	2023-01-25	9.00%	3
SOLT5 (**)	SE0012012698	SEK		320.8	320.8	2019-01-25	2023-01-25	9.00%	3
					949.8				

(*) The interest rate is 9.00% plus EURIBOR 90 days (if EURIBOR is negative the interest rate will be 9.00%)

(**) The interest rate is 9.00% plus STIBOR 90 days (if STIBOR is negative the interest rate will be 9.00%)

Related party transactions

The Group has loan liabilities to its main owner Soltech Energy Sweden AB (publ), for EUR 2,550,000, and Advanced Solar Power (Hangzhou) Inc., for CNY 18,661,650. The interest rate for the loans is three percent respectively zero percent. The following related party transactions took place during the financial year. Apart from the item charged interest, the transactions have taken place on a market basis.

SEK '000

Transaction	Counterpart	220101-220331	210101-210331	210101-211231
Purchase of solar panels	Advanced Solar Power (Hangzhou) Inc.	33,272	62,362	293,289
Purchase of service	Advanced Solar Power (Hangzhou) Inc.	3,648	1,154	10,755
Charged interest	Advanced Solar Power (Hangzhou) Inc.	0	0	0
Office rental	Advanced Solar Power (Hangzhou) Inc.	47	59	171
Charged interest	Soltech Energy Sweden AB (publ)	200	194	777
		37,168	63,769	304,992



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
- ST-Solar Holding AB

The parent company's operations are to finance the Group's solar energy facilities in China. ST-Solar Holding manages the Group's employee warrants. The two Chinese subsidiaries are in their turn the parent companies of local Chinese companies, established in different regions of 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 2021 for a more detailed description of the Group's risks.

The share and owners

The shares are listed for trading on Nasdaq OMX Stockholm, First North Growth Market. The number of shares in issue on 31 March 2022 was 38,747,539. The dilution effect depends on the warrant programs as described below.

Number of shares	220101-220331	210101-210331
Opening balance (*)	38,747,539	21,578,350
Closing balance	38,747,539	21,578,350

(*) Adjusted according to split 50:1, 2021-05-27

Average number of shares	220101-220331	210101-210331
Before dilution	38,747,539	21,578,350
After dilution	40,684,916	21,578,350

Major shareholders	Number of shares	Share capital	Share votes
SolTech Energy Sweden AB (publ.)	11,373,941	29.35%	29.35%
Advanced Solar Power Hangzhou Inc.	10,943,940	28.24%	28.24%
Isac Brandberg AB	1,816,665	4.69%	4.69%
The World We Want Foundation	785,184	2.03%	2.03%
Others	13,827,809	35.69%	35.69%
	38,747,539	100.00%	100.00%

Warrant program

On October 28, 2021, the Annual General Meeting resolved on four warrant programs, see table below. The total number of warrants that have been issued in the warrant programs corresponds to 5 percent of the share capital after the completion of the issues. This creates a potential dilution effect of 5 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			

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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 2021, 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. The company does not provide any forecasts.

Auditor's review

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

Calendar

- Annual General meeting will be held on May 19th, at 1700 CET
- Interim report for Q2 2022 will be published on August 23rd
- Interim report for Q3 2022 will be published on November 22nd



Income Statement

(SEK 000')	220101-220331	210101-210331	210101-211231
Net revenue	25,584	19,708	117,350
Other operating income	7,095	7,332	36,177
Total revenue	32,679	27,040	153,526
OPERATING EXPENSES			
Other external expenses	-9,063	-5,619	-28,351
Personnel expenses	-4,205	-3,025	-14,169
Depreciation and amortization	-15,727	-11,282	-50,086
Other operating expenses	0	0	-247
Total operating expenses	-28,995	-19,926	-92,853
Operating profit / EBIT	3,684	7,114	60,674
RESULT FROM FINANCIAL ITEMS			
Interest income and similar income items	196	34	149
Interest expenses and similar charges	-32,347	-32,258	-129,920
Currency gains and losses	20,939	40,080	92,843
Profit after financial items	-7,528	14,970	23,745
Tax	0	1	-7,499
The result for the period	-7,528	14,971	16,246
Attributable to the parent company's owners	-7,327	15,038	16,041
Minority interest	-201	-67	205
Earnings per share for the period before dilution, SEK	-0,19	0,70	0,67
Earnings per share for the period after dilution, SEK	-0,19	0,70	0,66
Weighted average number of outstanding ordinary shares	38,747,539	21,578,350	23,919,656
Weighted average number of outstanding ordinary shares after dilution	40,684,916	21,578,350	24,263,384

Balance Sheet

(SEK 000')	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Total intangible fixed assets	45,927	44,245	45,253
Total intangible fixed assets	45,927	44,245	45,253
Tangible fixed assets			
Solar PV installations	1,378,340	1,091,148	1,302,133
Solar PV installations under construction	45,820	0	69,205
Other tangible assets	2,423	1,643	2,458
Total tangible fixed assets	1,426,583	1,092,791	1,373,796
Financial assets			
Other long-term receivables	92,068	97,510	90,297
Deferred tax assets	1,388	9,902	1,349
Total financial fixed assets	93,456	107,412	91,646
Total fixed assets	1,565,966	1,244,448	1,510,695
Current assets			
Short-term receivables			
Accounts receivable	35,948	26,406	36,233
Tax Receivable	0	147	0
Other receivables	23,376	20,695	25,197
Prepaid expenses and accrued income	29,404	33,683	20,056
Total current receivables	88,728	80,931	81,486
Cash and bank balances			
Cash and bank balances	64,337	29,725	160,724
Total cash and bank balances	64,337	29,725	160,724
Total current assets	153,065	110,656	242,210
TOTAL ASSETS	1,719,031	1,355,104	1,752,905

Balance Sheet, continued

(SEK 000')	2022-03-31	2021-03-31	2021-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	7,750	4,316	7,750
Ongoing new share issue	552,860	331,950	552,860
Additional paid in capital	-50,569	-96,933	-61,155
Retained earnings including profit/loss for the period			
<i>Equity related to:</i>			
Owners of the parent company	502,510	231,925	491,946
Minority interest in equity	7,531	7,408	7,509
Total equity	510,041	239,333	499,455
Provisions			
Deferred tax liability	12,410	8,510	12,054
Total provisions	12,410	8,510	12,054
Non-current liabilities			
Other non-current liabilities	69,772	37,018	68,096
Liabilities to group companies	0	28,064	0
Bond loan	209,017	893,558	911,966
Total non-current liabilities	278,789	958,640	980,062
Current liabilities			
Liabilities to credit institutions	48,196	0	46,814
Bond loan	712,337	0	0
Accounts payable	97,297	105,961	130,478
Tax liabilities	3,343	9,364	3,247
Other current liabilities	21,181	12,387	18,083
Accrued expenses and prepaid income	35,437	20,909	62,713
Total current liabilities	917,791	148,621	261,335
TOTAL EQUITY AND LIABILITIES	1,719,031	1,355,104	1,752,905

Changes in equity

220101-220331 (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	17,891	-7,327	10,564	-201	10,363
Translation differences	0	0	0	0	0	223	223
Closing balance	7,750	552,860	55,461	-113,561	502,510	7,531	510,041

210101-210331 (SEK 000')	Share capital	Other contributed equity	Translation reserve	Retained earnings including profit for the period	Total	Minority share	Total equity
Opening balance	4,316	331,950	-15,647	-124,987	195,632	7,045	202,677
Result for the period	0	0	0	15,038	15,038	-67	14,971
Translation differences	0	0	21,896	0	21,896	412	22,308
Dividends	0	0	0	0	0	-623	-623
Closing balance	4,316	331,950	6,249	-109,949	232,566	6,767	239,333

Cash flow analysis

(SEK 000)	220101-220331	210101-210331	210101-211231
Cash flows from operating activities			
Operating profit (EBIT)	3,684	7,114	60,674
Adjustment for depreciation and amortization	15,727	11,282	50,086
Adjustment for items not included in the cash flow	1,296	-134	-10,437
	20,707	18,262	100,323
Interest received	196	34	149
Interest paid	-30,684	-32,441	-92,640
Income tax paid	0	-374	-2,662
	-30,488	-32,781	-95,153
Change in accounts receivables	1,367	-1,395	-9,006
Change in other short-term receivables	-6,530	-7,881	6,219
Change in accounts payables	-24,238	44,741	62,364
Change in other current liabilities	-18,727	3,336	39,594
Cash flow from working capital	-48,128	38,801	99,171
Cash flow from operating activities	-57,909	24,282	104,341
Investing activities			
Investments in tangible fixed assets	-40,575	-62,374	-296,291
Change in other financial fixed assets	-1,713	-6,695	-2,868
Cash flow from investing activities	-42,288	-69,069	-299,159
Financing activities			
Shareholders' contributions	0	0	268,829
Share issue cost	0	0	-44,485
Net proceeds from new loans	0	0	46,814
Payment of warrants	0	0	2,712
Dividends to minority interest	0	-623	-639
Cash flow from financing activities	0	-623	273,231
Cash flow for the period	-100,197	-45,410	78,413
Translation difference in cash and cash equivalents	3,810	1,810	8,986
Cash and cash equivalents opening balance	160,724	73,325	73,325
Cash and cash equivalents closing balance	64,337	29,725	160,724

Income Statement

(SEK 000')	220101-220331	210101-210331	210101-211231
REVENUES			
Net revenue	839	0	2,599
Other operating income	0	14	16
Total revenue	839	14	2,615
OPERATING EXPENSES			
Other external expenses	-1,567	-693	-3,005
Personnel expenses	-3,325	-2,298	-11,016
Depreciation and amortization	-1	-1	-5
Other operating expenses	0	-1	-247
Total operating expenses	-4,893	-2,993	-14,273
Operating profit / EBIT	-4,054	-2,979	-11,658
RESULT FROM FINANCIAL ITEMS			
Interest income and similar income items	19,242	19,046	76,403
Interest expenses and similar charges	-25,194	-25,051	-101,298
Currency gains and losses	5,432	9,302	10,412
Profit after financial items	-4,574	318	-26,141
Group contributions	0	0	69
Tax	0	-213	-213
The result for the period	-4,574	105	-26,285

Balance Sheet

(SEK 000')	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Fixed assets			
Tangible fixed assets			
Other tangible assets	17	21	18
Total tangible fixed assets	17	21	18
Financial assets			
Shares in group companies	618,660	461,922	618,660
Receivables from group companies	748,144	740,845	740,075
Total financial fixed assets	1,366,804	1,202,767	1,358,735
Total fixed assets	1,366,821	1,202,788	1,358,753
Current assets			
Receivables			
Receivables from group companies	101,364	54,628	83,447
Tax receivable	0	147	0
Other receivables	381	444	633
Prepaid expenses and accrued income	934	7,523	411
Total current receivables	102,679	62,742	84,491
Cash and bank balances			
Cash and bank balances	17,182	4,969	48,683
Total cash and bank balances	17,182	4,969	48,683
Total current assets	119,861	67,711	133,174
TOTAL ASSETS	1,486,682	1,270,499	1,491,927

Balance Sheet, continued

(SEK 000')	2022-03-31	2021-03-31	2021-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	7,750	4,316	7,750
Unrestricted equity			
Share premium fund	567,211	346,301	567,211
Retained earnings	-69,339	-45,766	-43,054
Profit (loss) for the year	-4,574	105	-26,285
TOTAL EQUITY	501,048	304,956	505,622
Long-term liabilities			
Liabilities to group companies	0	28,064	0
Bond loan	218,690	918,284	929,771
Other long-term liabilities	29,131	0	28,621
Total long-term liabilities	247,821	946,348	958,392
Current liabilities			
Bond loan	718,055	0	0
Accounts payable	717	36	145
Other current liabilities	156	784	233
Accrued expenses and prepaid income	18,885	18,375	27,535
Total current liabilities	737,813	19,195	27,913
TOTAL EQUITY AND LIABILITIES	1,486,682	1,270,499	1,491,927

Changes in equity

220101-220331

(SEK,000')	Restricted equity	Unrestricted equity			Total, equity
	Share capital	Retained earnings	Share premium fund	Result for the period	
Opening balance	7,750	-43,054	567,211	-26,285	505,622
Disposition of results	0	-26,285	0	26,285	0
Result for the period	0	0	0	-4,574	-4,574
Closing balance	7,750	-69,339	567,211	-4,574	501,048

210101-210331

(SEK,000')	Restricted equity	Unrestricted equity			Total, equity
	Share capital	Retained earnings	Share premium fund	Result for the period	
Opening balance	4,316	2,829	346,301	-48,595	304,851
Disposition of results	0	-48,595	0	48,595	0
Result for the period	0	0	0	105	105
Closing balance	4,316	-45,766	346,301	105	304,956

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.

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 estimates and assumptions that entail a significant risk of significant adjustments in the reported values of assets and liabilities in the coming years are dealt with in outline below.

Intangible fixed assets

The Group reports intangible assets that consist of customer contracts in the Group's operation in China. An examination of whether there is a need for impairment is made when there is an indication. If such an indication exists and the decline is assessed to be permanent, the need for impairment is determined after calculation of the asset's recoverable amount, which consists of the higher of the value in use and fair value. Impairment is made if the recoverable amount is less than the carrying amount. The value in use is calculated as the present value of future payments that the Company is expected to take advantage of by using the asset. No impairment losses have been identified.

Tangible fixed assets

Solar energy plants are reported at acquisition value reduced with accumulated depreciation and write-downs. The Company's applied depreciation period is based on the Company's assessment of the life of the products, and that the depreciation period correlates with the life of the customer contracts. An examination of whether there is a need for impairment is made when there is an indication. Impairment is reported in cases where the value of the facility exceeds the value of the existing underlying contract. No impairment losses have been identified.

Financial fixed assets

At each balance sheet date, the company assesses whether there is any indication of impairment in any of the group's financial fixed assets. If such an indication exists and the decline is assessed to be permanent, the need for impairment is determined after calculation of the asset's recoverable amount, which consists of the higher of the value in use and fair value. Impairment is made if the recoverable amount is less than the carrying amount. The value in use is calculated as the present value of future payments that the Company is expected to take advantage of by utilizing the asset.

Shares in subsidiaries

The group makes an annual forecast for future discounted cash flows regarding operations in China, in order to assess any need for impairment. No impairment requirements have been identified.

VAT Receivable

The Chinese companies have a VAT receivable which has mostly arisen when investment in solar panels has been made when installing customer projects. In Chinese tax legislation, VAT surpluses from the Company are not paid out, but set-off can be made against outgoing VAT when invoicing electricity to the customer. There is no time limit regarding set-off of VAT. An examination of whether there is a need for impairment is made when there is an indication. No impairment losses have been identified.

Deferred tax

Deferred tax assets

In the Chinese part of the business, there is a reported deferred tax asset regarding deficits and allowance for doubtful accounts receivable. Regarding the loss carried forward, this only applies to the Chinese subsidiaries and is expected to be utilized against accumulated profits over the next five years. Deficit deductions in China are forfeited five years after their occurrence.

Deferred tax liability

In the Chinese part of the business, deferred tax liabilities are reported regarding tax overwriting of tangible fixed assets.

Accounts receivable

The Group makes an ongoing assessment of accounts receivables, and this may result in a provision for bad debts. The Company's assessment is that the Company's customers are financially healthy and that payment of outstanding accounts receivable will be collected.

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 from electricity sales.

Other operating income

Mainly income related to subsidies. To a lesser extent also other income such as investment grants from Chinese authorities and positive currency effects related to the operational activities. The measure is used because it shows ASAB's revenues from subsidies and income other than direct electricity sales.

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 in relation to other operating income, notably subsidies.

(SEK '000)	220101- 220331	210101- 210331	210101- 211231
Net revenue	25,584	19,708	117,350
Total revenue	32,679	27,040	153,526
	78%	73%	76%

Operating profit (EBIT)

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

EBIT margin

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

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)	220101- 220331	210101- 210331	210101- 211231
EBIT	3,684	7,114	60,674
Depreciation and amortization	15,727	11,282	50,086
EBITDA	19,411	18,396	110,759

EBITDA margin

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

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.

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.

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.

(SEK '000)	2022-03-31	2021-03-31	2021-12-31
Other non-current liabilities	69,772	37,018	68,096
- Whereof non interest-bearing liabilities	-27,255	-24,826	-26,473
- Whereof accrued interest	-4,356	-3,404	-4,085
Liabilities to group companies (non-current)	0	28,064	0
Bond loan	921,354	893,558	911,966
- Whereof capitalized borrowing costs	28,473	53,513	34,812
Liabilities to credit institutions (current)	48,196	0	46,814
	1,036,184	983,923	1,031,130

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)	2022-03-31	2021-03-31	2021-12-31
Interest-bearing debt	1,036,184	983,923	1,031,130
Cash and bank	-64,337	-29,725	-160,724
	971,847	954,198	870,406

Equity ratio

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

(SEK '000)	2022-03-31	2021-03-31	2021-12-31
Total equity	510,041	239,333	499,455
Total assets	1,719,031	1,355,104	1,752,905
	30%	18%	28%

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, kWh millions

Electric energy generated by all operational solar energy plants 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.

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 installations. The measure is used since it helps assess the remaining contract value in ASAB's portfolio of solar energy installations.





Advanced Soltech AB (Publ)
559056-8878

Norlandsgatan 22
111 43 Stockholm
www.advancedsoltech.com