

# Gigasun



ANNUAL REPORT 2023

# Contents

## ABOUT GIGASUN

2. Company information
3. This is Gigasun
4. The year in brief
5. Comments from the CEO

## MARKET AND TRENDS

8. The largest electricity market in the world

## VISION, MISSION, BUSINESS MODEL AND GOALS

13. Vision
13. Mission
14. Business model
14. Goals
14. Strategy

## OPERATIONS

16. Gigasun's operations

## SUSTAINABILITY

22. Gigasun and the EU Taxonomy Regulation
23. Environmental sustainability
23. Financial sustainability
23. Social sustainability

## CORPORATE GOVERNANCE

25. Corporate Governance
29. Risks
32. Board of Directors
34. Management
35. The Gigasun share and shareholders

## FINANCIAL REPORTING

38. Board of Directors' Report
40. Multi-year overview
41. Consolidated financial statements
46. Parent Company financial statements
49. Notes to the financial statements
62. Definitions



## **ABOUT THE REPORT**

This report summarises the 2023 financial year and constitutes an overview of the business and operations of Gigasun AB (publ). The Company's annual report is published in Swedish and English. The Swedish edition is legally binding and shall apply in the case of any discrepancies. Unless otherwise stated, all comparisons in the report refer to the same period in the preceding year. All figures are presented in thousands of Swedish kronor (SEK), unless otherwise indicated.

## **COMPANY INFORMATION**

Gigasun AB (publ)  
**CIN:** 559056-8878  
**Legal form:** Public limited company

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## **DEFINITION**

"The Company" shall be understood as referring to Gigasun AB (publ), CIN 559056-8878, listed on Nasdaq First North Growth Market under the ticker GIGA.

The Company changed name from Advanced Soltech Sweden AB (publ) to Gigasun AB (publ) on February 1st, 2024 according to decision made on the Annual General Meeting in 2023.

**This is Gigasun AB**

# Green energy for the largest market in the world

Gigasun AB (publ), ("**Gigasun**"), finances, owns and operates roof-mounted solar energy installations in 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. In the same year, the first two installations were erected on site in China.

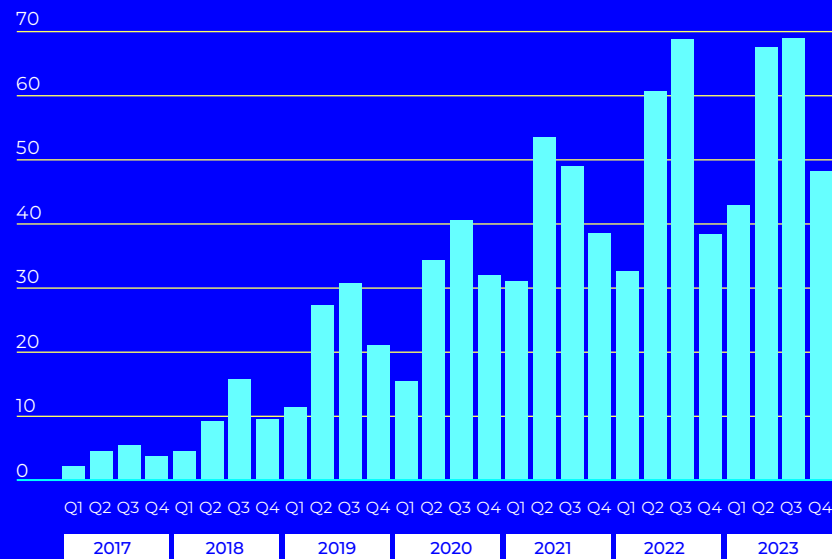
The Company's vision is to accelerate the transition to renewable energy by offering solar energy as a service, with the electricity generated by the installations being sold to customers, rather than the installation itself. The group has 19 employees, of which 4 are employees in the parent company with headquarters in Stockholm. The local operating subsidiaries, Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd ("ASRE"), Longrui Solar Energy (Suqian) Co. Ltd ("SQ") and Suqian Ruiyan New Energy Co., Ltd. ("RY") with 15 employees in China, are headquartered in Hangzhou.

The Company's business model is to offer and enter into 20-year contracts with owners of large properties, who undertake to purchase the electricity generated on their roofs for the duration of the contract. By offering solar power as a service, Gigasun is attracting

interest from new customer segments in the fast-growing renewable energy market in China. The Company's solution offers a simple and attractive alternative to traditional solar energy solutions, where property owners finance, install and maintain their own systems.

On 31 December 2023, Gigasun had a portfolio of 185 (174) electricity-generating solar energy installations with a total capacity of 282.6 (251.8) MW, and the business model has become commercially viable. Gigasun's operations also have an important role in the climate transition. A major share of China's electricity is currently generated by coal-fired power stations, with negative environmental impact. Gigasun's solar energy installations generate clean electricity, contributing to a reduction of around 142,000 (125,000) tonnes in CO2 emissions in 2023.

Gigasun – electricity-generated output, millions of kWh



## 185

electricity-generating solar energy installations

## 282.6

total capacity, MW



# The year in brief

## NEW ORDERS AND STRATEGIC AGREEMENTS

The Company signed 18 (25) contracts representing total installed capacity of 48.9 (60.5) MW. At the end of the year, the Company had 44 (37) MW in signed orders.

## PRODUCED ELECTRICITY

During the year, 227.6 (200.4) million kWh were generated, reducing CO<sub>2</sub>-related emissions by approximately 142,000 (125,000) tonnes. See table showing kWh generated from 2017 to 2023.

## NEW INSTALLED CAPACITY

The Company installed a total of 30.8 (45.3) MW of roof-mounted solar energy installations and at year-end had 282.6 (251.8) MW installed, revenue-generating capacity.

## SHARE ISSUE

In connection with a directed share issue and a rights issue of shares, the Company received SEK 176 million net, before deduction of issue costs.

## FINANCING AND REFINANCING

The company has entered into an agreement with the Chinese company JiangSu Financial Leasing Co., Ltd. ("**JS Leasing**") to be part of the refinancing of the company's outstanding bonds. The financing is a so-called sale and leaseback financing that provided the company with 541 MCNY. For the funds from JS Leasing and from the share issue, the company have repaid the bonds SOLT2, SOLT3 and SOLT5. The remaining bond SOLT4, have been extended to November 8, 2024.

# 72,178

EBIT, SEK thousands

# 228

Electricity generated, kWh millions

# 28%

Equity ratio

## Key performance indicators

(SEK 000')	230101-231231	220101-221231
<b>FINANCIAL KEY PERFORMANCE MEASURES (*)</b>		
Total revenue	219,064	203,849
Net revenue	178,388	156,972
Net revenue share of total revenue	81%	77%
EBIT	72,178	79,428
EBIT%	33%	39%
EBITDA	146,744	149,115
EBITDA%	67%	73%
Gross margin	186,432	177,918
Gross margin%	85%	87%
Amortization of capitalised borrowing costs	8,989	27,793
Interest expenses	102,286	94,308
Earnings per share for the period before dilution, SEK	-1.62	-0.75
Earnings per share for the period after dilution, SEK	-1.62	-0.75
<b>OPERATIONAL KEY PERFORMANCE MEASURES (*)</b>		
Produced electricity, millions of kWh	228	200
Reduction of CO <sub>2</sub> -related emissions, tonnes	142,000	125,000

(SEK 000')	2023-12-31	2022-12-31
<b>FINANCIAL KEY PERFORMANCE MEASURES</b>		
Interest-bearing debt	1,136,669	1,127,561
Net interest-bearing debt	1,117,526	1,066,767
Equity ratio	28%	26%
Equity ratio, rolling 12 months	27%	30%
<b>OPERATIONAL KEY PERFORMANCE MEASURES</b>		
Installed capacity, MW	282.6	251.8
Average remaining contract time, years	16.3	16.8
Signed orders, MW	44	37

(\*) For definitions of key performance measures, see chapter "Definitions"

## Comments from the CEO

# Lower interest costs and reduced currency risk

During the past year, we as a company have faced several challenges but also opportunities that have shaped our business. Our journey has been marked by significant strategic steps to ensure a sustainable and profitable future. One of the year's most significant initiatives was the refinancing of most of our outstanding bonds, an effort that not only strengthened our capital structure and reduced our interest expenses, but also reduced our currency risk and tax costs through a new financing solution in Chinese currency. Our assessment is that most of our future financing will be in China.



**Increased global geopolitical tensions create an uncertainty that we are closely monitoring**



China's economy has shown signs of recovery in 2023, driven by increased demand for services, resilient investments in the manufacturing sector, and public infrastructure stimulus. Despite this, challenges remain, such as a contraction in the real estate sector and a declining population that could potentially slow growth. These economic dynamics in China, combined with heightened geopolitical tensions globally, including the conflict in Ukraine, are impacting the global economic environment, and creating uncertainty that we are closely monitoring.

Despite these challenges, our efforts to improve financing structures and our focus on renewable energy growth have placed us in a strong position to navigate these uncertain times. Our commitment to green energy continued to contribute to a significant reduction in CO2 emissions in China, reflecting our role in global climate action.

Over the past year, China's and the world's solar energy landscape has undergone significant changes, with China continuing to be a leader in both the development and implementation of solar energy technologies. China is on track to double its solar and wind capacity, crushing the government's ambitious 2030 target of 1,200 gigawatts (GW) five years ahead of schedule, assuming all planned projects are built and commissioned. The country has invested more than \$130 billion in its solar industry in 2023, cementing its position as the undisputed leader in the global solar supply chain. China added 216 GW of solar power in 2023, which is an increase

of 148% compared to 2022. This impressive growth is driven in part by China's pursuit of energy security and its ambition to lead the global transition to more sustainable energy production.

During the year, we also strengthened our organization with key recruitments and implemented strategic initiatives that strengthened our market position. The name change to Gigasun symbolizes a new era for our company that marks our ambition to create a stable and profitable platform for distributed solar energy.

Thank you to all our employees, customers and partners for your continued support and commitment. Together, we look forward to a brighter and greener future.

**Max Metelius**  
CEO, Gigasun AB (publ)



China is well on its way to doubling its solar and wind power capacity



The name change to Gigasun symbolizes a new era for our company, marking our ambition to create a stable and profitable platform for distributed solar energy

# Market and trends



# The largest electricity market in the world

The photovoltaic market in China has grown rapidly. In 2015, the installed solar photovoltaic (“PV”) capacity in China amounted to 44 Gigawatt (“GW”). Six years later, in 2021, installed capacity had increased to 306 GW, corresponding to a Compound Annual Growth (“CAGR”) of 48 percent.

For reference, the total installed solar PV capacity in Sweden amounted to 1.6 GW in 2021. Electricity generation from solar energy sources in China increased from 39 terawatt hours (“TWh”) in 2015 to 327 TWh in 2021. The share of electricity generation from solar PV sources has increased from 0.7% in 2015 to 3.9% in 2021. Distributed solar PV systems (\*) in China experienced even faster growth, increasing more than fifteenfold from 6 to 107 GW between 2015 and 2021, representing a CAGR of 78 percent. The total installed solar PV capacity in China is projected to increase to 1,219 GW by 2040, when more than 1,700 TWh of electricity is estimated to be generated annually from solar PV.

From a global perspective, China is by far the country with the largest total solar PV capacity, corresponding to 36 percent of global capacity at the end of 2021. Between 2017 and 2021, China’s net capacity addition in solar panels represented about 42 percent of the total global addition. In 2021 alone, China added 53 GW of installed PV capacity, which

can be compared to the rest of the world where the corresponding figure was 80 GW.

In 2021, solar panels represented 13 percent of the installed electricity capacity in China. This share is expected to increase to 31 percent in China by 2040. This corresponds to a significant increase, both in absolute terms and in relation to the total installed capacity.

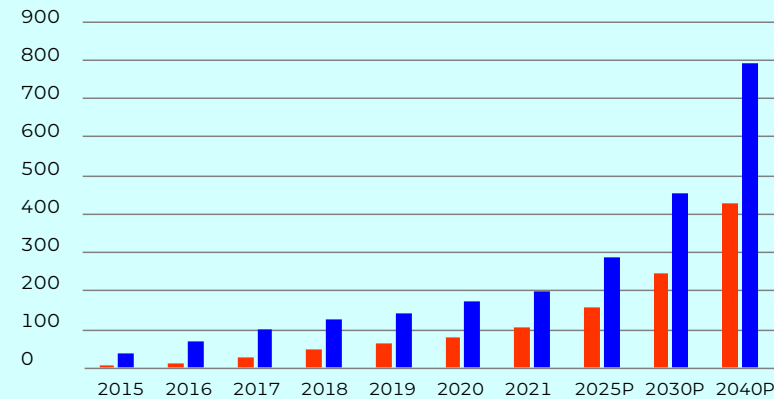
## GEOGRAPHICAL CONDITIONS FOR SOLAR PANELS IN CHINA

The potential for the use of solar panels varies significantly in China, as illustrated in the map below. Regions where Gigasun is now present have a photovoltaic output of approximately 1,000 kWh per year per installed kW capacity. This is similar to Swedish levels, but generally with less variation and more stability during the year. Regions with the largest photovoltaic output are located in the southwestern parts of China, such as Tibet. However, electricity prices and demand are significantly lower in these parts as they are generally less populated and industrialized compared to other parts of China.

(\*) Distributed photovoltaic systems, such as Gigasun’s, generate electricity close to where they are used and can be rooftop or ground-based. Gigasun only works with roof-based systems.

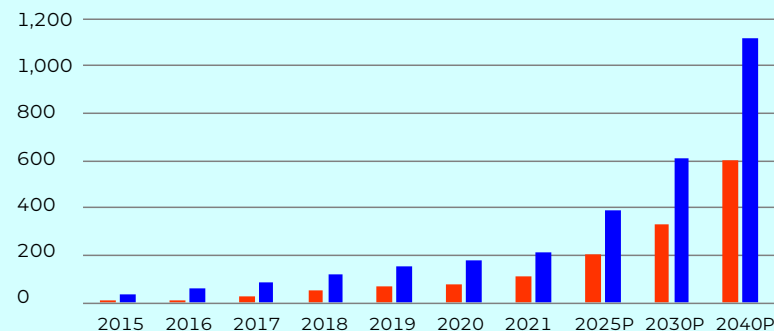
Installed capacity solar PV in China (MW)

Whereof distributed (MW) Whereof centralized (MW)



Produced electricity from solar PV’s in China (TWh)

Whereof distributed (TWh) Whereof centralized (TWh)





Electricity demand is highest in the eastern coastal provinces, such as Guangdong, Zhejiang and Jiangsu, where more than 60 percent of China's manufacturing industry is concentrated and where China's largest cities are located.

**PRICING OF ELECTRICITY IN CHINA**

Electricity prices in China have been regulated by the National Development and Reform Commission ("NDRC") since 2004. However, actual prices are determined by the network operators and may thus vary from region to region. Densely populated regions with high electricity demand, such as those with several large cities and well-developed manufacturing industries, tend to have relatively higher electricity prices. Most such regions are located in the eastern part of China. In contrast, electricity prices

tend to be lower in natural resource-rich but sparsely populated regions, which are more common in western parts of China. Electricity prices in China also vary between different types of final customers, which are classified according to their electricity consumption. For example, different prices may apply to private customers with 220 V and industrial customers with 35kV and more. Because electricity prices in China are determined centrally, prices can often remain stable for long periods of time.

**POTENTIAL MARKET SIZE**

The methodology presented in this section relates to the sale of electricity and does not directly take into account potential revenues from government subsidies. The potential market size can be calculated by multiplying the volume of electricity produced sold to

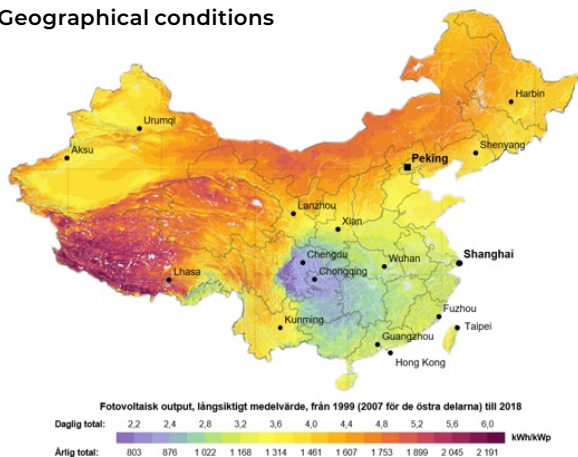
final customers by the price paid by the same final customers and invoiced per kWh of electricity used. To calculate the potential market size, the reader should consider several underlying factors, which include, but are not necessarily limited to:

- **Volume and growth of electricity produced.** In the figure below, the electricity generation from distributed PV systems is assumed to be directly proportional to its share of the total installed capacity of solar panels. For the projection period and for solar panels, the share of installed distributed capacity in relation to total installed capacity is assumed to be constant at 2019 levels. The total electricity production during the projection period is based on the IEA's (International Energy Agency) forecast.

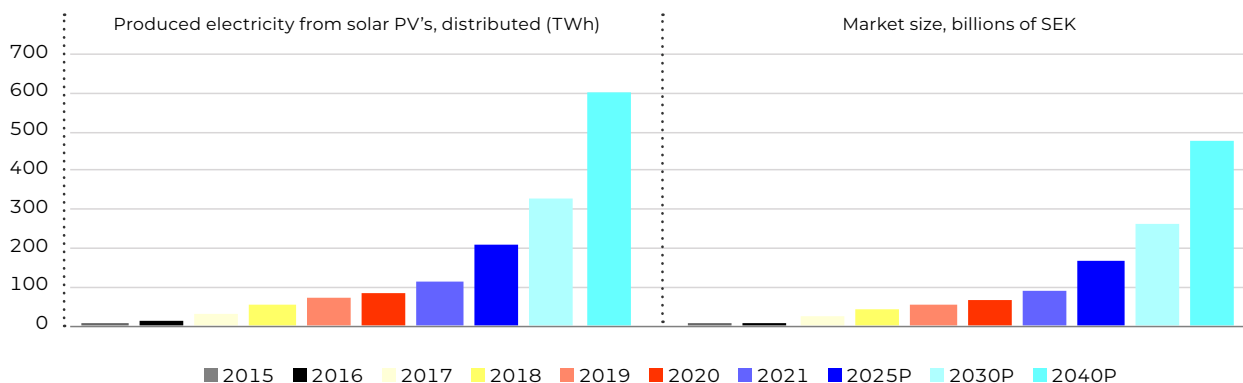
- **Current and future electricity prices.** The price of electricity in China is determined at the regional level by grid operators but is regulated by the NDRC. In the image below, Gigason has estimated an average electricity network price based on the current price, which in the example is assumed to remain constant until 2040. The assumption is considered by Gigason to be conservative because it is not adjusted for inflation or other factors.

Average discounts are offered to customers with Power Purchase Agreements ("PPAs"), in relation to the prevailing electricity price. The figure below applies an average discount of 12.5%, as it reflects Gigason's view that discounts of 10 to 15 percent are common practice in the market. In the example, the discount is assumed to remain unchanged through 2040.

**Geographical conditions**



**Potential market size**





### KEY TRENDS AND DRIVERS IN THE INDUSTRY

Gigasun believes that the factors listed below characterize the Company's relevant target market and that these can be expected to continue to drive future underlying market growth.

- Increased awareness and consensus on climate and environmental challenges, including strong involvement of the Chinese state, is driving investments in renewable energy sources, including solar panels.
- Reducing the cost of photovoltaic technology increases the demand for solar panels and removes the technology's previous dependence on subsidies.
- GDP growth, urbanization and technological development are driving electrification and demand for renewable energy solutions.

### REDUCING THE COST OF PHOTOVOLTAIC TECHNOLOGY INCREASES THE DEMAND FOR SOLAR PANELS AND REMOVES THE TECHNOLOGY'S PREVIOUS DEPENDENCE ON SUBSIDIES

Levelised cost of energy ("LCOE") is an internationally established model for analysing the cost of production of energy. More specifically, the LCOE measures an energy source's net present value of life cycle costs divided by its energy production. The measurement allows comparison of different technologies with different lifetimes, project sizes, capital costs, etc.

Historically, electricity generation from solar panels has been dependent on subsidies to achieve profitability and to be competitive

with conventional (non-renewable) technologies. Over the past decade, China has used significant subsidies of various kinds, most notably a feed-in tariff programme whose size was largely unlimited, to support the use of solar panels. The subsidies have helped create a large solar panel industry in China. As the industry has gradually matured, as well as technological developments, the cost of PV technology and thus its subsidy-free LCOE has decreased significantly in recent years, from a level of around 15 CNY per kWh in 2000, to less than 1 CNY per kWh in 2018. At these levels, solar panels are competitive against conventional coal-fired power plants in Chinese cities.

The LCOE for subsidy-free photovoltaic solutions has declined significantly, not only in China but also globally in recent years. Globally, the LCOE for PV solutions is currently lower for conventional energy sources based on fossil fuels. In addition, in China, the LCOE for photovoltaic solutions was significantly lower than the electricity market price in 2018.

### CUSTOMERS

Electricity producers offer roof-mounted distributed PV systems to property owners with free roof space in areas suitable for solar panels. Potential customers include both private and public organizations. According to Gigasun, solar energy producers in the Chinese market have mainly focused on industrial and commercial customers. This is partly due to the fact that they often own buildings with large and flat roofs, which are suitable for photovoltaic installations, but also because these operators have incentives to

optimise operating costs. In China, industrial companies typically own the real estate they operate in, which further facilitates the installation of PV installations and the PPA-based business model.

Potential customers can choose between two solutions when installing distributed PV systems:

- Do-it-yourself requires the potential customer to carry out feasibility studies, apply for permits from authorities, purchase appropriate equipment, and handle assembly, installation, maintenance and insurance. It also requires a significant initial investment in terms of purchasing and labor costs. It is also time-consuming and requires a certain amount of expertise.
- Solar-as-a-service offers a turnkey solution where end customers sign a comprehensive power purchase agreement with an electricity producer. The offer also includes maintenance work, service, insurance and billing. An important aspect is that it does not involve any initial investment for the potential customer.

#### COMPETITION

The market is characterized as large and fast-growing thanks to strong underlying demand. However, there are few electricity producers specializing in solar panels with power purchase agreements that have reached a significant size. A possible explanation for why supply has not yet met demand is the fact that only a few electricity generators had sufficient funds to finance the initial costs of building new plants.

Local PV distributors who want to enter the market by setting up PPA-based businesses face a number of challenges, in particular the lack of financing to realise the opportunities that exist and the consequent lack of reference projects. In addition to Gigasun, Asia Clean Capital stands out as a specialized power purchase agreement-based energy producer in China that has managed to build a large portfolio of distributed photovoltaic assets. GCL New Energy is another major power producer in the Chinese market for distributed photovoltaic systems, but is more focused on ground-mounted systems. The company is majority-owned by GCL-Poly, a manufacturer of polycrystalline silicon used in solar cells.

Large energy companies have different operational and organisational set-ups, as their core activities are usually based on large-scale centralised energy-generating facilities. In addition, distributed photovoltaic systems can potentially cannibalize on their core offerings. Nevertheless, major energy companies such as Électricité de France, Total, State Power Investment Corporation, and China Datang Corporation have entered the Chinese market for distributed photovoltaic systems through either subsidiaries or consortiums offering power purchase agreements to potential customers.

Since the market is large and growing rapidly, it is Gigasun's opinion that competition is not currently a significant limiting factor for growth in the segment. Electricity producers working with power purchase agreements run capital-intensive projects and therefore

need financial resources if they want to grow their portfolios of solar-generating assets. For power producers like Gigasun, which specializes in distributed photovoltaic systems, the biggest potential bottleneck for growth in the segment is the availability of capital to finance new projects.

#### OUTLOOK

In 2019, 60 percent of China's population lived in cities. By 2030, the figure is expected to rise to 70 percent, more than a billion people. Continued industrialisation and urbanisation, coupled with demands for increased prosperity, are expected for the foreseeable future to continue to drive demand for electricity in general and for sustainable urban electricity solutions in particular. The trend is also being driven by the growing interest in electric vehicles of various types. To companies that, like Gigasun, specialise in distributed solar energy systems, the bottleneck to further development is not a lack of real demand or technical capability, but rather the availability of capital to finance new projects. The greatest demand for electric power is in China's eastern coastal provinces of Guangdong, Zhejiang and Jiangsu, where more than 60 percent of the country's manufacturing takes place and where the largest cities are located.



# Vision, mission, business model and goals

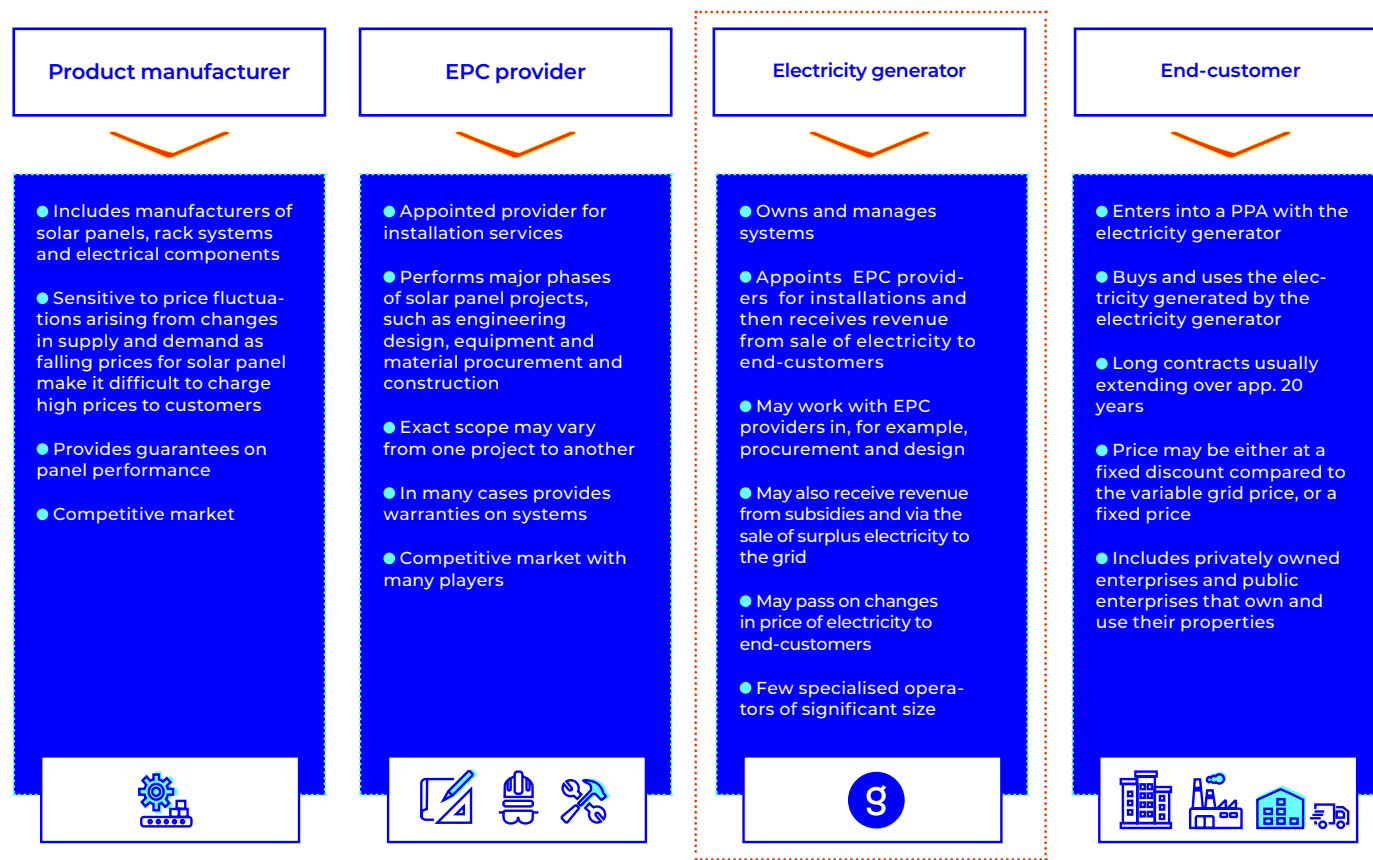
## Vision

Gigasun's founding aim was to accelerate the transition to renewable energy in China by offering electricity generated from solar energy as a service. The Company's vision is to become a driving force in sustainable power generation to secure a better future for the planet and future generations.

## Mission

Gigasun'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. Gigasun 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 Gigasun.

## Solar energy industry's value chain



## Business model

Customers, who are owners of large properties, enter into 20-year contracts with Gigasun, whereby the customer commits to buy, at a pre-agreed price, the electricity generated by the system. Electricity purchased from Gigasun'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 100 percent uptake of the electricity generated by Gigasun'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 Gigasun or, subject to Gigasun's approval, ensure that the new property owner takes over the contract.

Subsidies from government (\*) are a further source of income for Gigasun. The amount of subsidy for a particular project is determined before the construction of the solar energy system, when the local grid operator evaluates the project design. The commitment of

(\*) In April 2021, new rules came into force under which no new installations will receive subsidies. This was an expected development, as the systems are currently showing a good return without subsidies. Subsidies previously awarded remain in place for the duration of the contract.

the authorities to pay subsidies consists of a fixed amount in CNY per kWh generated over a fixed number of years. 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 state or regional level.

## Strategy

Gigasun's ambition is to help improve the climate and deliver value to shareholders and customers. To achieve this, Gigasun has chosen the following strategies.

### SALES

Gigasun today has an efficient structure with a large network of dealers who deliver potential projects that Gigasun can enhance and develop. In addition, Gigasun intends, to a greater extent than before, to supplement its network by making use of previously entered into framework agreements that are currently considered to offer good prospects of generating new systems. Gigasun is also reviewing opportunities to acquire entire portfolios of existing projects, provided that they meet the Company's high standards of quality and profitability.

### OPERATING ACTIVITIES

In its operating activities, Gigasun will focus actively on developing control and quality, reducing risk and improving profitability. Control and quality will be developed through implementation of a new ERP system, as well as through a review of the Company's PPAs. Profitability will be improved as

Gigasun grows and in so doing gains a more advantageous negotiating position in procurement. Gigasun is also engaged in an ongoing evaluation of an expanded offering with new products. The most immediate priorities are storage capacity and façadeintegrated solar panels.

### FINANCING

The listing of the Gigasun share in autumn 2021 was the first and most important step in the process of creating a profitable and fast-growing company, with the ability to seize new business opportunities. Financing issues have been a bottleneck for the Company's expansion in the past, and against that background Gigasun is developing a new capital structure with the intention of creating better conditions, greater flexibility and reduced risk. During the year, Gigasun repaid the bonds SOLT2, SOLT3 and SOLT5 through local loans in China and share issues. The market has matured very quickly and Gigasun is now facing great interest from capital market participants in financing growth on the terms required for Gigasun to achieve its goals.

## Financial targets



### 1 000 MW

Installed capacity

Gigasun aims to have an installed solar capacity of 1,000 MW by the end of 2026.



### 12–15%

Project returns

Gigasun's goal is to execute projects with expected gross returns of 12-15% on the investment in the solar energy system.



### 25%

Capital structure

Gigasun's goal is to have a minimum equity ratio of 25% on a rolling twelve-month basis.





# Operations

# Gigasun's operations

## GIGASUN-GROUP

The Group consists of the parent company Gigasun AB (publ), ST-Solar Holding AB and the Company's wholly-owned subsidiaries in China, Advanced Soltech Renewable Energy (Hangzhou) Co., Ltd ("ASRE"), Longrui Solar Energy (Suqian) Co., Ltd ("SQ"), Suqian Ruiyan New Energy Co., Ltd. ("RY") and these companies' directly or indirectly owned subsidiaries (the "Group" and separately the "Group Companies"). In total, Gigasun has 71 subsidiaries in China. Gigasun is headquartered in Stockholm and the local operating companies ASRE, SQ and RY in China are headquartered in Hangzhou.

## BACKGROUND

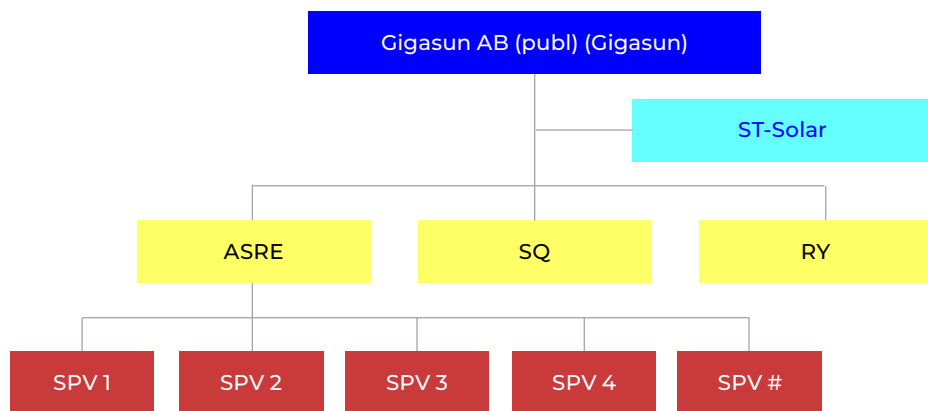
Gigasun was founded as a joint venture between the Swedish solar energy company Soltech Energy Sweden AB (publ) and the Chinese solar panel manufacturer Advanced Solar Power Hangzhou Inc. ("ASP") with the vision of accelerating the transition to renewable energy by offering solar-as-a-service, where the electricity produced by the plants to customers is sold instead of the plant itself.

Gigasun is an electricity producer who finances and through Group companies owns and manages roof-mounted photovoltaic ("PV") installations in China. The Company enters into so-called power purchase agreements ("PPA") with property owners, with a contract period that usually

amounts to 20–25 years, during which time the Company's counterparty undertakes to purchase the electricity generated during the contract period. The electricity purchased from Gigasun is metered and invoiced per kWh and is priced at a discount of approximately 10–15 percent compared to the price that the customer would pay for electricity via the electricity grid. Although the Company's business model operates on a commercial basis, subsidies constitute an additional source of income. Subsidies are usually granted based on the volume of electricity sold (measured in kWh) and include subsidies from the Chinese government and, where applicable, also subsidies from provinces as well as subsidies at district and city level.

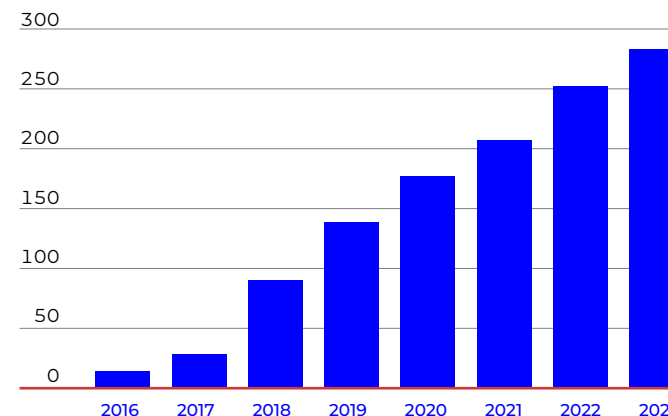
By offering solar-as-a-service, Gigasun can generate interest from previously untapped customer segments in the rapidly growing renewable energy market in China. The company's solution offers a simple and attractive alternative to traditional solar energy solutions where property owners would need to install and maintain their own solar PV systems.

As of December 31, 2023, Gigasun has a portfolio of 185 electricity-generating PV installations with a total capacity of 282.6 MW. Gigasun's market consists entirely of China, primarily the country's eastern regions, which are also the most industrialised.



## Installed capacity

■ MW



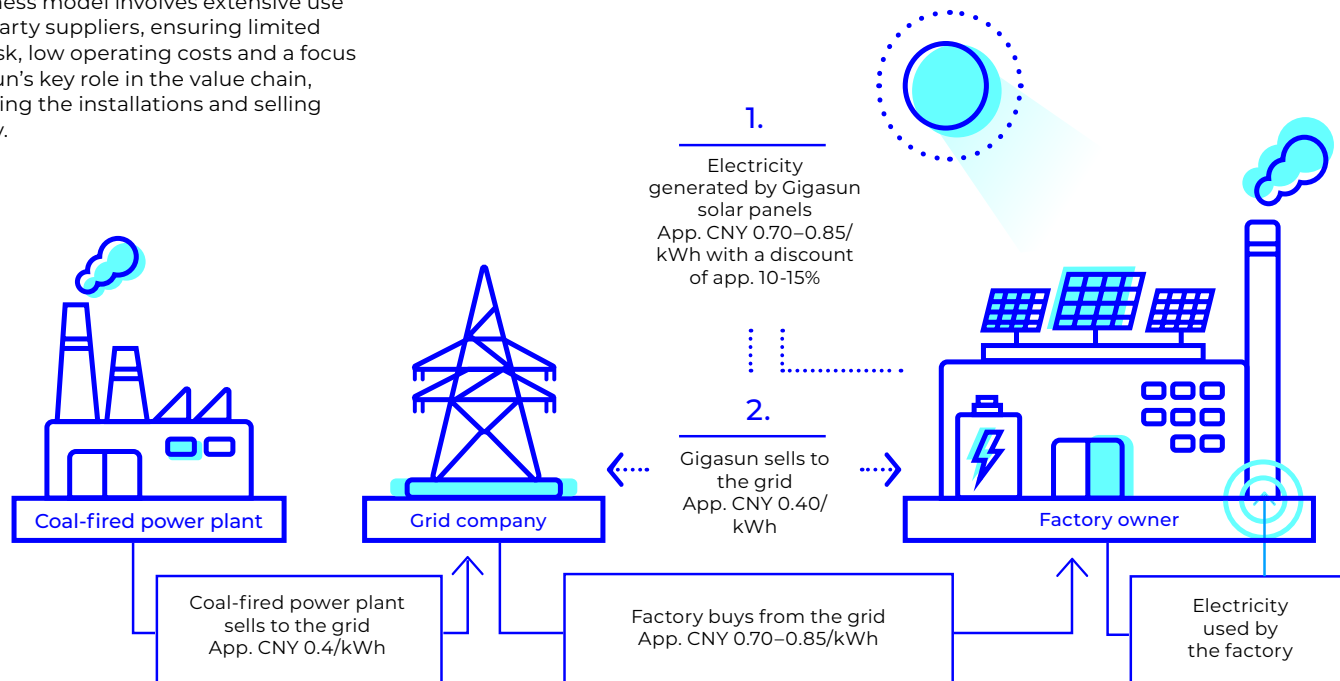
**SOLAR-AS-A-SERVICE**


By offering solar energy as a service through the solar-as-a-service business model, Gigasun finances and operates PV installations on its customers' industrial roofs. Customers buy the electricity at a discounted price when compared to the price that the customer would pay for electricity via the grid. The customers are mainly manufacturers with large production facilities and thus also owners of large roofs.

According to Gigasun's solar-as-a-service offering, the customer does not pay for the PV system, hardware or maintenance. The customer's only cost is the electricity purchased from Gigasun. Instead of paying for the PV system, the customer undertakes to buy the electricity produced by the PV system over the next 20-25 years. Electricity is sold to the customer at a discount of approximately 10-15 per cent compared to the price the customer pays for electricity from the network. As a result, the customer gets cheaper electricity with a lower environmental impact and also the positive perception of the world around us that is associated with such an investment in renewable energy. In return, Gigasun receives long-term cash flows.

Despite the fact that the electricity is mainly sold to the customer, Gigasun is free to sell the electricity to the electricity grid if surplus electricity is generated. This ensures 100 percent uptake of the electricity generated by Gigasun's projects.

The business model involves extensive use of third-party suppliers, ensuring limited project risk, low operating costs and a focus on Gigasun's key role in the value chain, i.e. financing the installations and selling electricity.



1. Gigasun 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.
  2. If the customer/factory owner does not buy all the electricity generated by Gigasun's solar panels, Gigasun sells it to the grid.
-  Gigasun owns the solar panels.





**REVENUE STREAMS**

Gigasun's revenues come solely from electricity production and can be divided into two sources - electricity sales and subsidies, where electricity sales accounted for 81 percent of total revenue in the full year 2023.

**Electricity sales**

The electricity produced by the Company's PV installations is primarily sold to the owner of the property where the PV system is installed. Any surplus electricity that is not used by the customer is sold to the grid. Sales to the customer are prioritized because the price paid by customers exceeds the price paid by the grid.

Surpluses occur if the electricity generated by the PV system exceeds the customer's electricity demand at a given time. When

designing the PV system, Gigasun takes into account, among other things, consumption patterns in the customer's operations in order to minimize surpluses sold to the grid. Surplus electricity may be generated in day-to-day operations if the customer's electricity demand decreases during the production time of the PV system. However, surplus production is usually caused as a result of holidays that affect the scale of operations and thus the need for electricity. By prioritizing customers with a significant electricity demand compared to the size of the PV system, most of the electricity generated by Gigasun's portfolio is sold directly to customers, approximately 76 percent for 2023. The proportion of electricity sold to customers has remained relatively stable as the portfolio has grown, see figure below.

By prioritizing customers with a significant electricity demand compared to the size of the PV system, approximately 76 percent of the electricity generated by Gigasun's portfolio is sold directly to customers. The proportion of electricity sold to customers has remained relatively stable as the portfolio has grown, see figure below.

The price charged by Gigasun to customers is regulated by the PPA's that are entered into with all customers before the construction of the PV system begins. The PPA regulates the commercial and legal relationships between Gigasun and its customers, including events such as change of ownership of facilities and insolvency of the customer. The production flow of electricity is not regulated by the contract, however, the electricity will in fact always be consumed by the customer first because the electricity always takes the shortest route to a consumption point.

in the Company's geographical portfolio mix may change the Company's average revenue per kWh of electricity produced.

**Subsidies**

Subsidies are grants from the Chinese government, based on the electricity produced. The company's business model is currently commercially viable without subsidies. Subsidies, however, constitute an additional source of revenue.

The amount of the subsidy for a given project is determined before the construction of the PV installation starts, and when the local grid operator evaluates the design of the project. The commitment to pay subsidies includes both a subsidy level, the amount per kWh generated, and a period of time, i.e. the number of years that the government entity commits to pay subsidies. The duration of the subsidies varies between two and 20 years, of which the majority is for 20 years.

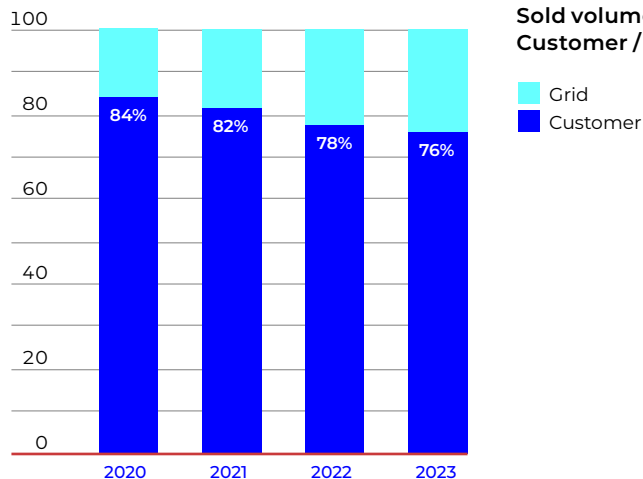
Gigasun's agreements have two types of pricing mechanisms, both of which are based on the official tariff in the area where the plant is located. One type is expressed as a fixed discount (usually 10 to 15 percent) to the official tariff, the other is based on an agreed nominal price which is adjusted proportionately for changes greater than 5 percent in the official tariff.

When a PV installation is completed, Gigasun also enters into an electricity trading agreement with the local grid company, which establishes the right to sell surplus electricity to the local electricity network company. Although electricity prices in China tend to be stable over long periods, price changes will impact Gigasun's revenues and earnings. As electricity prices vary between different regions, a change

Since the Company's first project was completed in 2015, significant changes have been made to the subsidies support. In the second quarter of 2018, the subsidies paid by the state and provinces for solar energy projects decreased significantly. In 2019, national and provincial subsidies were further reduced, which means that projects completed in 2019 are not subject to subsidies.

For projects installed before the subsidies were removed, Gigasun receives subsidies that extend over 20 years. These commitments are not affected by the government's decision to remove subsidies for new projects and will therefore remain in place throughout the 20-year period.

**Sold volume electricity Customer / Grid**



**GIGASUN AND ITS CUSTOMERS**

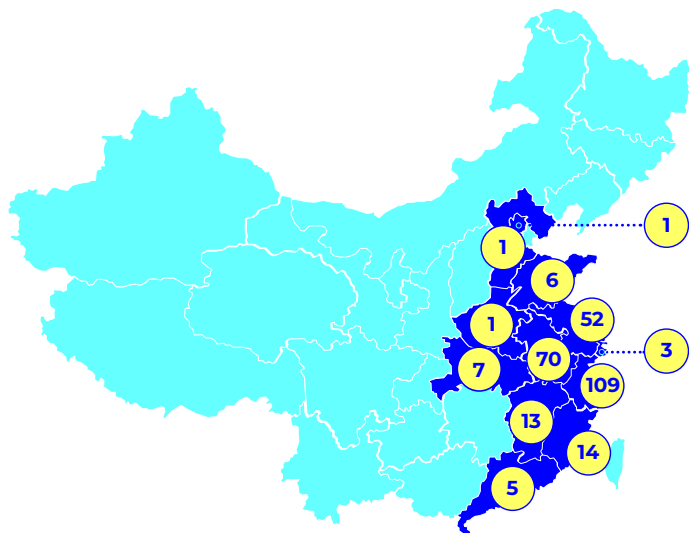
Gigasun's customers are active in a wide range of areas, from basic industry to the raw materials industry, but also in government operations. Overall, just over 87 percent of customers operate in the private sector. What they have in common is that they are extensive organizations with a large number of employees. A customer base with primarily large customers, also spread across different industries, gives Gigasun's operations long-term stability.

A prerequisite for Gigasun is that customers have access to large available roof areas, as a solar PV installation takes up an average of about 15,000 square meters. Gigasun's customers with the largest installed capacity

today are geographically located in China's eastern provinces. When Gigasun assesses which regions the company should be present in, three main factors are taken into account: solar irradiation, the local electricity price and the customer base. In the eastern regions, there is a good mix of these factors.

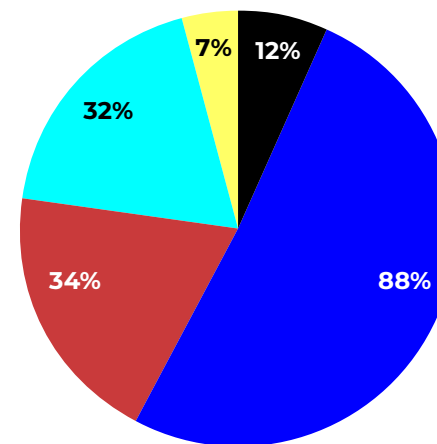
The reason why customers choose Gigasun is that they obtain access to green electricity via a simple system and at a lower price than when they buy from the grid. Today, the Company has 173 customers, which means that the counterparty risk is highly diversified. This sets Gigasun apart from similar companies that sell to the public grid and thus have a weaker bargaining position.

**Gigasuns installed capacity 2023**



**Gigasuns customers – number of employees (FTE)**

- 0-99
- 100-499
- 500-999
- 1000-3 999
- >4 000



**PORTFOLIO COMPOSITION**

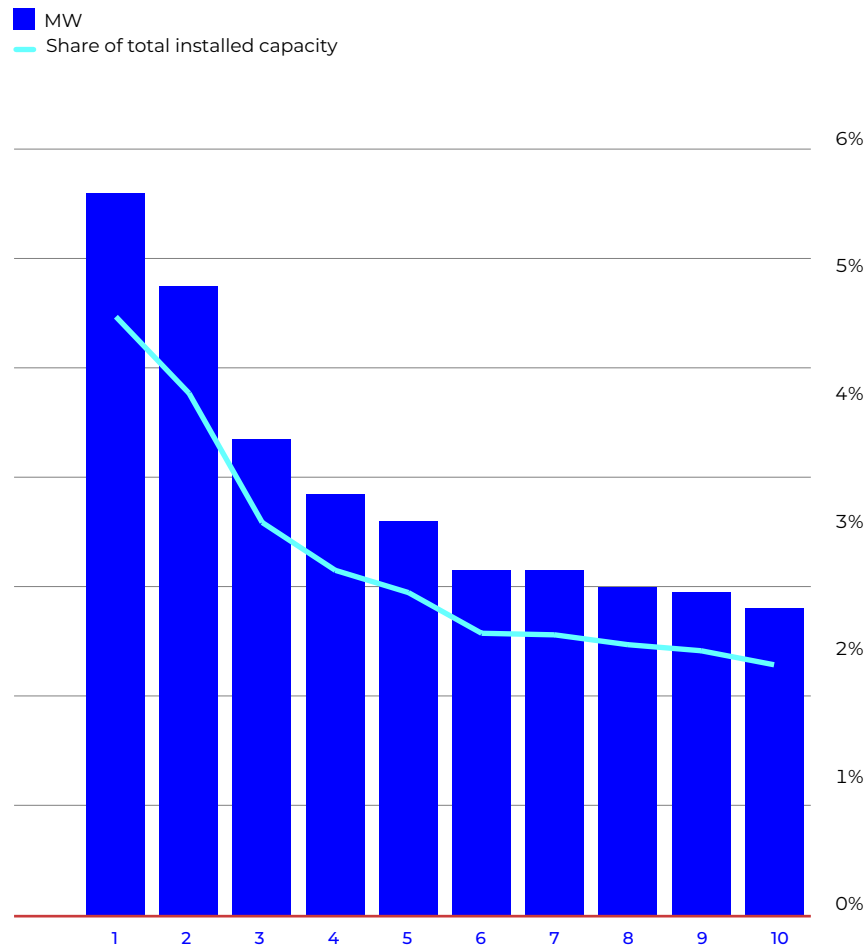
Gigasun’s first installation was completed in 2015 and as of December 31, 2023, the portfolio includes 185 PV installations, at 173 different customers, amounting to 282.6 MW installed capacity. The projects vary in size, with the smallest being 0.04 MW and the largest being 13.2 MW. The average project size in the portfolio is 1.5 MW and the average remaining contract term weighted towards installed capacity 16.3 years. The figure below shows the share of installed capacity in the total portfolio of the 10 largest PV installations. The largest plant, of 13.2 MW, consists of approximately 4.7 percent of the total portfolio.

**OUTLOOK**

The rapid industrialisation and urbanisation taking place in China, alongside the transition to alternative energy sources, provides Gigasun, which has proven experience in identifying suitable solar energy projects and efficient installation methods, with good opportunities for further profitable development. The risks present in the market are mainly associated with the fact that the infrastructure, including electricity generation, is highly regulated and dependent on permits and ultimately political decisions.

Gigasun has several potential growth opportunities in addition to new sales. Upselling to existing customers, where Gigasun can, via an expanded product offering, cover an even larger share of the customer’s electricity consumption than the current target of ten to 30 percent, is one possibility. One example could be to include battery systems to store surplus electricity and to redistribute the customer’s consumption between off-peak and peak prices. Another could be to enter into partnerships with construction companies and property owners to gain access to facade and roof installations, where Gigasun’s systems could become both part of a building and a solar energy solution.

**10 largest PV installations (MW)**





# Sustainability



# Gigasun is making a contribution to reducing emission levels in China

With its vision to accelerate China's transition to renewable energy consumption and Gigasun's practical operations locally, the Company is helping directly to reduce current emission levels in China, as well as – more long-term and indirectly – to drive the ongoing climate transition and thus create major environmental benefits. China is now, by a wide margin, the world's largest emitter of greenhouse gases, with levels higher than those of the US and EU combined. The country also faces acute challenges in the form of air pollution from dirty industries and coal-fired power plants.

In a comparison between the Nordic countries and China, China's electricity generation currently produces 670 grams of carbon dioxide equivalent per kWh, compared to 55 grams from the Nordic countries. This means that emissions are six times higher in China than in the Nordic countries. Replacing one kWh from the grid with one kWh from solar electricity in the Nordics results in an average emission saving of seven grams. The equivalent replacement in China provides a saving of 622 grams of carbon dioxide equivalent – 80 times more than in the Nordics.

In 2023 alone, Gigasun installed solar energy systems with a total capacity of 30.8 MW. This means that since its inception in 2015, Gigasun has installed systems with a total capacity of 282.6 MW. During 2023, the systems together generated 228 million

kWh, reducing China's CO2-related emissions by approximately 142,000 tonnes.

### THE EU'S TAXONOMY REGULATION

The EU's Taxonomy Regulation is a framework for deciding which economic activities should be considered environmentally sustainable. The aim of the regulation is to help investors identify and compare environmentally sustainable investments via a common classification system.

In order to achieve the EU's climate goals and the objectives of the EU's Green Deal, investments need to be steered more in the direction of sustainable projects and businesses. A fundamental condition for this is that investors, companies and decision-makers must be able to identify and compare

Reduced air pollution through solar energy system:

**228 million kWh**



**61,900 tonnes**  
Fewer carbon particles

**6,800 tonnes**  
Fewer sulphur particles

**3,400 tonnes**  
Fewer nitrogen oxides



investments based on common definitions of what is sustainable. The establishment of a classification system for environmentally sustainable activities – a green taxonomy – is therefore a key stage under the EU Action Plan for Financing Sustainable Growth.

For a particular economic activity to be classified as environmentally sustainable, it must contribute significantly to one or more of the six identified environmental objectives, not cause significant damage to any of the other objectives and meet certain minimum sustainability requirements.

Gigason's starting point is that its activities are compatible with the EU's taxonomy, as it operates in an area that contributes significantly to climate change mitigation – one of the six identified environmental objectives of the EU.

	Total, SEK 000'	Share of taxonomy-eligible economic activities	Share of non-taxonomy-eligible economic activities
Net sales	178,388	100.0%	0.0%
Capex	248,303	99.8%	0.2%
Opex	146,887	15.2%	84.8%

**ENVIRONMENTAL SUSTAINABILITY**

Gigason offers environmentally friendly products and services that are produced with the minimum possible resource and energy consumption and that have low environmental impact. All solar cells used by Gigason are collected for recycling at end-of-life. Intelligent resource management is a key focus

within the Company and close attention is paid to efficient use of resources, whether energy consumption, use of premises, waste, travel or transport. Gigason operates systematically and prevents pollution via goal-focused environmental management that is an integral part of the Company's culture. Current environmental requirements, together with environmental aspects and environmental goals, are the basis on which we work.

**FINANCIAL SUSTAINABILITY**

Limiting global warming requires a global shift to a less fossil-fuel based economy. Achieving the goals of the Paris Agreement, which calls for limiting the increase in global temperature to below 1.5–2.0 degrees Celsius compared to pre-industrial levels, is primarily the responsibility of each country. But the financial system also has an important role to play in the climate transition. A large amount of capital and new financial products and instruments will be needed to finance the transition. Capital must be directed to initiatives that support

a transition to a less fossil-based economy, away from oil, coal and gas, for example, and towards fossil-free alternatives, such as solar and wind energy. Green bonds are an example of a financial instrument that allows investors in the fixed-income market to switch their capital to investments that can contribute to the transition.

**SOCIAL SUSTAINABILITY**

**Stakeholders and partners**

Gigason shall safeguard the integrity of the Company's stakeholders and partners and

handles information such that it is protected and managed in a responsible manner. The Company has a clear focus on sustainability and its partners are expected to share the Company's values and observe its Code of Conduct.

**Employees**

Employees represent one of the Company's most important assets. It is through the commitment and competence of our employees that Gigason can create a culture where they

and our partners can thrive. Gigason strives to provide the best possible working climate and work environment for all employees, and in its role as an employer, the Company takes responsibility by offering all employees work in which they can develop and take responsibility. Diversity is a force for enrichment and we therefore work actively on diversity and gender equality issues. The Company supports and observes the principles of the UN Global Compact initiative.





# Corporate governance

# Corporate Governance

Gigasun AB (publ) is a Swedish public limited liability company, CIN 559056-8878, whose shares are listed on Nasdaq OMX in Stockholm, First North Growth Market. The Company's registered office is in Stockholm.

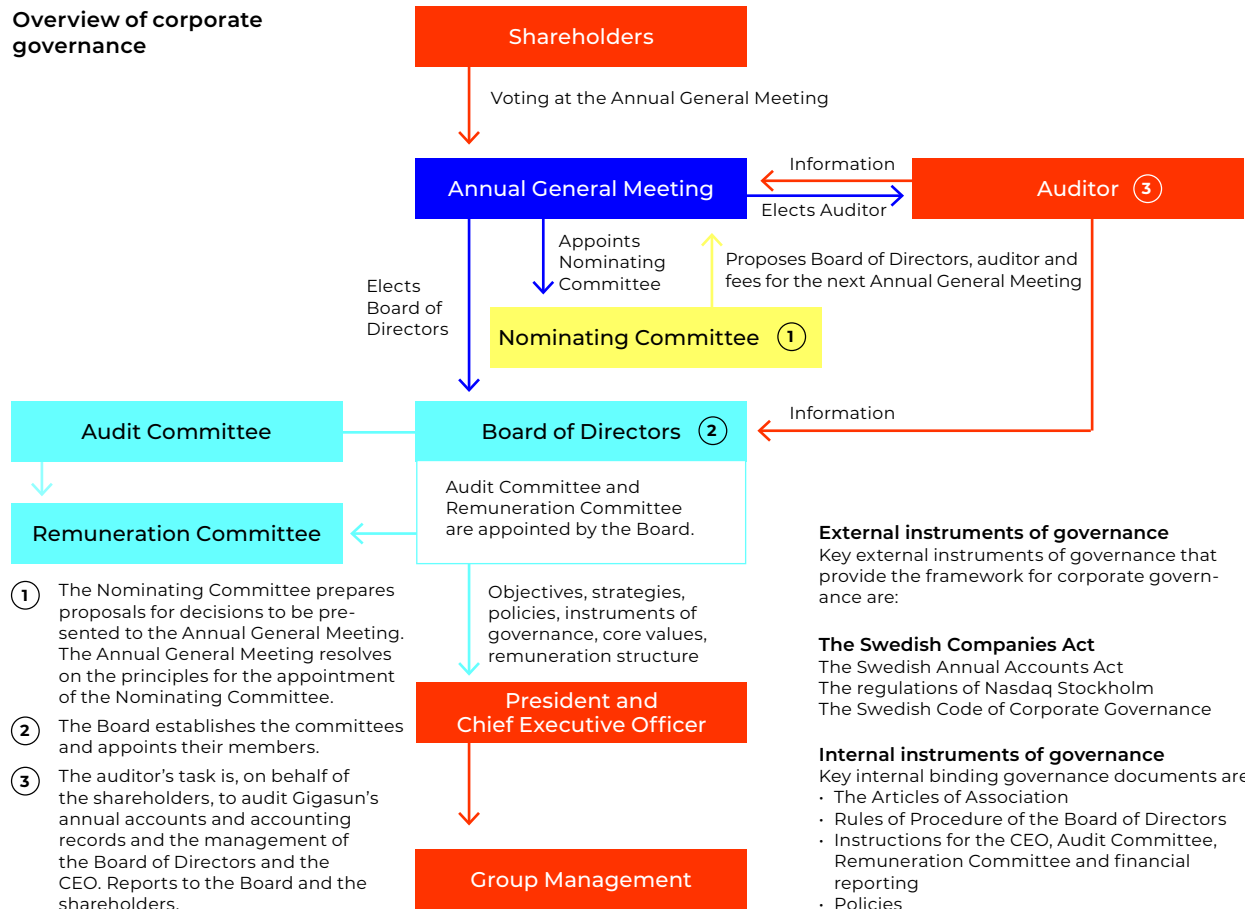
The company was established in Sweden, was registered with the Swedish Companies Registration Office on 30 March 2016 and has conducted operations since then. The Company complies with the provisions of the Swedish Companies Act (2005:551) and other applicable laws and regulations in Sweden and China.

Gigasun's corporate governance principles and structure are designed to ensure that the Group is managed in the most efficient and value-creating manner possible on behalf of its shareholders. Corporate governance is a tool for maintaining order and structure for the Board and Management. A clear structure and clear rules and processes facilitate decision-making and other management of the business, while providing the conditions to ensure and verify that Gigasun complies with internal and external regulations.

## GOVERNING DOCUMENTS

External instruments of governance include the Swedish Companies Act, the Swedish Annual Accounts Act and Nasdaq Stockholm's Regulations for Issuers. Internal instruments of governance include the Articles of Association, the Board of Directors' and the Chief Executive Officer's rules of procedure, instructions, policies and guidelines.

### Overview of corporate governance





## THE ARTICLES OF ASSOCIATION

The Company's Articles of Association state that the object of the Company's operations is inter alia to finance the Group's solar energy installations. Full information on the Articles of Association is available at <https://gigasun.se/investors/corporate-governance>.

## SHAREHOLDERS

Every shareholder has the right to vote for all the shares held by the shareholder in the Company. The shares are listed for trading on Nasdaq OMX Stockholm, First North Growth Market. The number of shares on 31 December 2023 amounted to 57,197,225.

## ANNUAL GENERAL MEETING

Shareholders have the opportunity to exercise their influence through the Annual General Meeting, which is the highest decision-making body in Gigasun. The rules governing the Annual General Meeting are set out in the Swedish Companies Act and in the Articles of Association. The regular annual general meeting – the AGM – appoints the members of the Board of Directors, the Chairman of the Board and the Company's auditor, as well as determining their fees. The AGM also resolves on adoption of the income statement and the balance sheet and on appropriation of the Company's unappropriated earnings; discharges the Board and CEO from liability; and resolves on the composition of the Nominating Committee and the terms and conditions for remuneration and employment of Group Management.

Gigasun's financial year is from 1 January to 31 December. The AGM shall be held within six months of the financial year-end and shall, as stipulated by the Articles of Association, be held in Stockholm. The time and place of the AGM will be announced no later than at the time of the third quarterly report.

Notice of the AGM will be given no earlier than six weeks and no later than four weeks before the meeting through a notice in Post- och Inrikes Tidningar and via [www.gigasun.se](http://www.gigasun.se). The fact that a notice has been issued shall be advertised in Dagens Nyheter.

Shareholders have the right to have a matter dealt with at the AGM and to exercise their right must submit a request to that effect in writing to the Board of Directors. The request must be received by the Board no less than seven weeks before the AGM.

### Annual General Meeting 2023

The AGM was held on June, 29th 2023 in Stockholm. The AGM resolved as to:

- adoption of the income statement and balance sheet
- appropriation of the Company's profit by carrying forward to a new account
- discharge of the Board of Directors and CEO from liability
- re-election of the regular members of the Board Frederic Telander, Stefan Ölander, Ben Wu, Gang Bao, Vivianne Holm and Patrick de Muynck
- re-election of the Chairman of the Board Frederic Telander
- decision of change company name from Advanced Soltech Sweden AB (publ) to Gigasun AB (publ)
- re-election of the auditing firm Ernst & Young AB as auditor. The auditing firm advised that Anfers Rodéhn is the lead auditor.
- authorisation for the Board of Directors to resolve, on one or more occasions, during the period until the next AGM, with or without preferential rights for the shareholders, on new share issues, warrants and/or convertibles.

### Annual General Meeting 2024

The 2024 AGM will be held on June 12, 2024.

## NOMINATING COMMITTEE

### The work of the Nominating Committee

The Nominating Committee is responsible for preparing and presenting proposals for Chairman of the Board, Board members, remuneration of the Board (to Chairman, members and committees), Chairman of the meeting and election and remuneration of the auditors, as well as rules for the Nominating Committee.

The Nominating Committee's proposals are presented

in connection with the notice of the forthcoming AGM. The Nominating Committee shall consist of three members. In December, the Chairman of the Board will contact the three largest shareholders (based on the shareholding according to Euroclear Sweden AB as per the last business day in September) in order to appoint a Nominating Committee. If any such shareholder declines to appoint a member, the fourth largest shareholder shall be consulted and so on, in descending order. Each member of the Nominating Committee shall carefully consider whether there is any conflict of interest, or any other circumstance that renders membership of the Nominating Committee inappropriate, before accepting the position. No fees are paid to members of the Nominating Committee.

The Nominating Committee is tasked with preparing proposals on the following matters that are to be submitted to the AGM for resolution:

- proposal for Chairman of the AGM
- proposal for number of directors on the Company's Board
- proposal for election of Board members and Chairman of the Board
- proposal for Board fees, including allocations to the Chairman and the other Board members, as well as any remuneration for committee work
- proposal for election of statutory auditors, based on proposals from the Audit Committee
- proposal for the fees of the statutory auditors and
- proposal for procedure for the appointment of the Nominating Committee (if applicable).

### Shareholders' proposals

All shareholders have the right to present the Nominating Committee with proposals for Board members. Such proposals are to be sent to the Chairman of the Nominating Committee by e-mail to [gigasun.se](mailto:gigasun.se).

## BOARD OF DIRECTORS

### The work of the Board

The principal task of the Board is to safeguard the interests

of the Company and its shareholders. It is required to appoint the Chief Executive Officer, be responsible for management and organisation of the Company, which includes being responsible for setting objectives and strategies, ensuring procedures and systems for the evaluation of set objectives are in place, continuously evaluating the Company's performance, financial position and operational management. The Board is also responsible for ensuring that fit-for-purpose systems are in place to monitor and control the Company's activities and risks involved. Furthermore, the Board is responsible for the Company's compliance with applicable laws and its Articles of Association.

The Board meets according to schedule that is established annually. Over and above these meetings, further meetings may be convened and such meetings may also be held by telephone or per capsulam. Meetings are prepared by the Chairman and the CEO, who jointly propose an agenda for each meeting. The CEO shall provide Board members with written reports and supporting documents for each meeting. Meetings of the Board are attended by the Company's Group Management. Other officials participate as necessary in a reporting function on specific cases.

### Composition of the Board

The Board of Directors is elected by the AGM for the period until the next AGM. The Board shall consist of no less than three and no more than nine members elected by the AGM. At the AGM held on June, 29th 2023, Frederic Telander, Stefan Ölander, Ben Wu, Gang Bao, Vivianne Holm and Patrick de Myunck were re-elected for the period until the next AGM. A presentation of all Board members is available at <https://gigasun.se/about-us/board-of-directors/>.

### Chairman of the Board

The Chairman of the Board is elected by the AGM for the period until the next AGM. At the AGM held on June, 29th 2023, Frederic Telander was re-elected. The Chairman of the Board is tasked with directing the work of the Board and ensuring that the Board performs its duties and has specific

responsibility for ensuring that its work is well organised and performed efficiently, as well as for monitoring developments in its activities.

### Independence of the Board

See section "Board of Directors".

### Rules of Procedure of, and Instructions applying to, the Board

The work of the Board of Directors is inter alia governed by the Swedish Companies Act and the Company's Articles of Association. At the statutory meeting, the Board resolves on its rules of procedure, which shall apply until the end of the next Annual General Meeting. The rules of procedure govern, for example, the overarching tasks of the Board, rules for Board meetings, the division of functions between the Board and the CEO and the procedures for day-to-day financial reporting. The statutory meeting of the Board of Directors also determines the instructions for the CEO, including financial reporting, and determines who is authorised to sign on behalf of the Company.

### Regular meetings of the Board

The agenda includes standing items concerning areas such as finance, market, personnel, operations and ongoing investments. In addition to these standing items and other business, the agenda for each meeting is structured as follows.

#### January–February

Approval of the year-end report and the dividend to be proposed to the Annual General Meeting.

#### March–April

Approval of the annual report, notice of the AGM, together with matters requiring the approval of the AGM, including the appropriation of unappropriated profit proposed by the Board of Directors. This meeting will also receive a report containing the results of the audit by the Audit Committee.

#### April–May

Approval of the report for the first quarter of the year, adoption of and changes to the Group's policies and annual assessment of whether the dividend policy should be changed.

#### July–August

Approval of the half-year report.

#### October–November

Approval of the report for the third quarter of the year.

#### December

Approval of the budget. Resolution on the annual adjustment of the remuneration of Group Management, based on proposals by the Remuneration Committee.

### THE BOARD'S COMMITTEES ETC.

The Board appoints the members of the Committees.

#### Audit Committee

During the financial year, the Audit Committee of the Board of Directors consisted of Vivianne Holm (Chair) and Patrick de Myunck. For independence, see section "Board of Directors".

The work of the Audit Committee is governed by specific instructions adopted by the Board as part of its Rules of Procedure.

Without prejudice to the other responsibilities and duties of the Board, the Audit Committee is required:

- to oversee the Company's financial reporting
- to monitor the effectiveness of the Company's internal control and risk management
- to participate in decisions concerning the scope of the audit
- to keep informed as to the audit of the annual accounts and consolidated accounts
- to review and monitor the impartiality and independence of the auditor, paying particular attention as to whether the auditor provides the Company with services other than audit services, and to assist in the preparation of proposals for the election of the auditor by the AGM.

### Remuneration Committee

During the financial year, the Remuneration Committee of the Board consisted of Frederic Telander (Chairman), Stefan Ölander and Ben Wu. For independence, see section “Board of Directors”.

The work of the Remuneration Committee is governed by specific instructions adopted by the Board as part of its Rules of Procedure.

The duties of the Remuneration Committee include:

- preparing the Board’s decisions on matters relating to remuneration principles, remuneration and other terms and conditions of employment of Group Management
- monitoring and assessing ongoing programmes and those ended during the year for variable remuneration to Group Management
- evaluating implementation of the remuneration policy and the guidelines on remuneration for senior executives that the AGM is legally required to resolve on.

### PRESIDENT AND CHIEF EXECUTIVE OFFICER

The President and Chief Executive Officer reports to the Board of Directors and is responsible for day-to-day management of the Company. The allocation of tasks between the Board of Directors and the CEO is set out in the Rules of Procedure of the Board and the Instructions to the CEO.

The CEO is responsible for preparing reports and compiling information from management for Board meetings and serves in a reporting capacity for that material at Board meetings. According to the financial reporting instructions, the Chief Executive Officer is responsible for financial reporting in the Company and is therefore required to ensure that the Board, primarily through the Chief Financial Officer, receives sufficient information to enable the Board to evaluate the financial position of the Company on an ongoing basis. The CEO must keep the Board continuously informed as to developments in the Company’s business, developments in sales, the Company’s performance and financial position, liquidity and credit situation, major business events and any other circumstance that may be of material importance to the

Company. Max Metelius has served as Group CEO and CEO for the parent company since 2020.

Powers and responsibilities of the Chief Executive Officer, Group Management and managers are defined in policies, guidelines, job descriptions and attestation instructions.

### AUDITOR

The auditor is appointed by the Annual General Meeting to audit the annual report and accounts of the Company and the Group and the administration by the Board of Directors and the Chief Executive Officer. After each financial year, the auditor shall submit an audit report and a Group audit report to the Annual General Meeting.

According to its Articles of Association, Gigasun shall appoint one or two auditors. At the Annual General Meeting held on June, 29th 2021, the authorised firm of public accountants Ernst & Young AB was appointed as auditor until the end of the Annual General Meeting 2024. Anders Rodéhn is lead auditor.

### INTERNAL CONTROL

Under the Swedish Companies Act, the Board of Directors is responsible for internal control, the overall purpose of which is to safeguard the Company’s assets and thereby the owners’ investment. The Swedish Annual Accounts Act requires the Company to describe annually the Company’s and the Group’s system of internal control and risk management in relation to financial reporting.

Internal control is based on a fit-for-purpose and effective control environment. Gigasun’s control environment consists of the organisational structure, job descriptions, decision paths, powers and responsibilities that are defined and communicated through governing documents such as internal policies and guidelines:

- Rules of procedure for the Board and its committees and instructions to the Executive Director
- Finance policy and Financial handbook
- Attestation instructions and decision-making procedure for investments

# Risks

This section describes the risk factors and circumstances that are considered material to the business and future development of Gigasun AB (publ) and the Group of which it, as parent company, operates and represents.

The risks are specific and material to the Group's market and business activities in Sweden and China. When a risk factor is relevant to more than one category, it is presented only under the category that is considered to be the most relevant. The risk factor currently considered to be the most significant is presented first in each category. Other risk factors are not ranked in order of materiality.

## RISKS RELATED TO THE MARKET AND BUSINESS ACTIVITIES

### Global macroeconomic and geopolitical conditions and their impact on China's economy

Geopolitical tensions between China and Western countries, or a continued or escalated trade war between China and the United States, could also lead to reduced demand for assets in China and negatively impact the Group's financing opportunities. As a result of the deteriorating relations between China and Western countries, China may also implement regulations on foreign companies that may constitute an obstacle to the Group's operations and the financing of its operations.

Increased tensions may lead to reduced trade between China and the Western countries may lead to a weakened global economy, prolonged economic recession, may lead to a slowdown in industrial development in China, which in turn may lead to a reduced demand for electricity, which may have a negative impact on the Group's operations, financial position or results.

### Policy decisions related to renewable energy

The Group operates in different geographical areas in China that prioritize environmental issues in electricity generation and provide various types of policy incentives that favor investments in renewable energy. These incentives may take the form of various financial grants and/or subsidies for certain types of energy sources. In 2023, the Group's total subsidies received amounted to SEK 36 millions of total revenues of SEK 219 million. An important factor in the Group's revenue estimates is expected subsidies from the Chinese government and from regional and local governments. However, the above applies primarily to projects approved before 31 December 2018 and the Group's later projects are not dependent on government subsidies. In recent years, the Chinese government has issued a series of laws, regulations, and policies to support and encourage the development of solar energy. These laws, regulations and policies have a direct impact on the future prospects of the domestic solar industry and are factors that may affect the demand for the Group's offering and thus operations. The level of acceptance of solar energy as a sustainable form of renewable energy by the authorities implementing energy policy as well as by the general public in the markets in which the Group operates has a significant effect on the Group's operations, financial position and results. There is always a risk of changes to these systems, which could have a negative effect on the Group's operations, results of operations and financial position.

While the Chinese government's latest five-year plan (2021-2026) has clear directions for China to continue to decarbonise and continue to promote the development of renewable energy sources in order to address China's acute pollution problems and thus reduce China's dependence on fossil fuels, a direct or indirect reduction or cessation of government support may have a negative effect on the solar energy market in China. Any changes in the Chinese government's

support for the industry in which the Group operates, or changes in the policies related to the Group's industry, could adversely affect the Group's operations. In the event of changes in the Chinese government's policies favorable to the solar industry, solar energy and photovoltaic installations may become less attractive in the future, which could have a negative effect on the Group's operations, results of operations and financial condition.

### Changes in the economic, political and social conditions in China

The Chinese economy differs from most of the developed countries' economies in many respects, including the degree of government involvement, control of capital investment, and the overall level of development. The Chinese government has been working in recent years to continue reforming the economic system as well as the system of governance and administration of the country. For example, the Government of the People's Republic of China's reform policies have emphasized the autonomy of companies and the use of market mechanisms. Nevertheless, any future actions and policies adopted by the Government of the People's Republic of China and any changes in China's political, economic and social conditions could have a material adverse effect on the Group's current and future business operations, results of operations and financial condition.

## OPERATIONAL RISKS

### Operational risks related to variations in electricity prices

The revenues of the Chinese operations are largely dependent on the development of the electricity market in China. All contracts concluded by the Group with its customers use a pricing mechanism with a discount on the official electricity price applied by the relevant electricity network operator. A decrease in the price of electricity would have a significant



negative effect on the Group's ability to pay interest and pay any loan repayments. There is no way to hedge against the risks associated with fluctuations in the price of electricity. However, volatility in electricity prices has historically been low. The revenues of The Group's direct subsidiaries in China or one of their subsidiaries are largely dependent on the development of the electricity market in China. All contracts entered into by the Group with its customers use a pricing mechanism with a discount on the official electricity price applied by the relevant electricity network company. Consequently, there are risks associated with fluctuations in the price of electricity. A decrease in the price of electricity would have a significant negative effect on The Group's direct subsidiaries in China or one of their subsidiaries ability to pay interest and other costs and to pay any loan repayments. There is no possibility of hedging against the risks associated with fluctuations in the price of electricity. However, volatility in electricity prices has historically been low.

## LEGAL AND REGULATORY RISKS IN CHINA

### Legal system

The Group's direct subsidiaries in China or one of their subsidiaries are established under Chinese law and conduct their business in China. China's laws and regulations are based on written constitutions, and previous court decisions can only be relied upon as a reference. As these laws and regulations are still under development, and there are a limited number of published cases that are also of a non-binding nature, there is some uncertainty as to the interpretation and enforceability of the laws.

China's legal system is based in part on state political decisions and internal rules (some of which are not published on time or at all). As a result, The Group's direct subsidiaries in China or one of their subsidiaries may not be aware of a possible violation of these policies and rules until after the breach has occurred. Although the electricity market in China is heavily regulated by laws, government policies and internal rules, there is still uncertainty about the meaning and limits of the rules, which can affect The Group's direct subsidiaries in China or one of their subsidiaries operations and pose a risk

of potential violations of policies and regulations in China. This may lead to government sanctions that may adversely affect the Group's operations, results of operations and financial position.

If a property owner is declared bankrupt, the Chinese companies, or any of their subsidiaries, can terminate the Power Purchase Agreement ("PPA") and dismantle and remove the solar energy installation. If a bankruptcy administrator then chooses no longer to be bound by the PPA, the owner of the solar energy installation will incur a cost for the removal, which corresponds to about 20-25 percent of the original cost of the solar energy facilities. The same risk exists if the bankruptcy administrator concerned, or other official, decides to sell the property as a result of the previous owner's bankruptcy or payment difficulties and the new owner does not want to take over the installations. The Group always retains the option to sell the generated electricity to the grid as long as the installation is in place and the Group is the owner of the system.

## FINANCIAL RISKS

### Financing

In 2023, bonds SOLT2, SOLT3 and SOLT5 were repaid in full. As a result, the remaining SOLT4 bond issued by the Company is to be repaid no later than November 2024 with approximately SEK 70 million in addition to the agreed interest rate.

In 2023, the Group companies entered into several lease financing agreements with, among others, Jiangsu Financial Leasing Corp. Ltd. In the event that the Group does not pay overdue lease payments, there may be a risk that the right to repurchase previously transferred solar energy installations to the leasing companies is no longer possible to exercise in whole or in part. However, the lease financing does not contain any so-called covenants for the Group.

The amounts in this section follow from the Group's financial statements as of December 31, 2023 and its used exchange rates when translated on the same date.

The Group is partly financed by the Company's two largest owners, Soltech and ASP and its related parties, through loans, supplier credits and not yet invoiced products and services that are provided to the Group of a total of approximately SEK

374 million, of which Soltech approximately SEK 34 million and ASP approximately SEK 341 million. Of ASP's supplier credits to the Group amounted to approximately SEK 235 million, approximately SEK 68 million are due for payment with payment deferred. The amounts in this section follow from the Group's financial statements as of December 31, 2023 and its used exchange rates when translated on the same date. ASP's supplier credits and other liabilities to ASP consist of current loans that can be equated with an "overdraft facility" without a fixed maturity date. The Group companies and the ASP have not specifically regulated the terms and conditions for outstanding accounts payable, except that overdue supplier credits of approximately SEK 68 million carry an annual interest rate of approximately 3 percent until further notice. Otherwise, these supplier credits run free of interest. In the event that supplier credits and other liabilities to ASP are not extended, the Company assesses that these can be replaced by bank financing, but at a higher interest cost.

The Group has short-term bank loans in China amounting to approximately SEK 51 million. The bank loans mature between May month 2024 and September month 2024.

In the event that the Group is unable to repay the SOLT4 bond in full, that the credits from ASP do not continue and the Company is obliged to pay these credits, and/or that the short-term bank loans are not renewed, the Company may be forced to seek alternative financing opportunities, such as an extension of the SOLT4 bond, additional capital raising, supplier financing, advances from customers, short-term loans or other debt financing, and/or combined with cost reductions, asset sales, limited or no investments in new solar energy facilities installations, or otherwise operating at a more prudent pace than planned until additional capital can be raised, which may lead to higher interest expenses and other costs, limited growth, dilution of ownership due to necessary new share issues, downsizing or discontinuation of all or part of the Group's operations through the sale of assets, etc.

In the event that all alternative financing options were to fail, there is a risk that the Company would be forced to significantly revise current development plans, which would have a negative impact on the Company's development, or

even pose a risk to the continued operation and survival of the Company, and in the worst case that the Company goes bankrupt. This could have a material adverse effect on the Group's operations, earnings and financial position.

**Interest rate risk**

The Group's financing may generate interest expenses that may be higher than the profit generated by the Group's investments. Debt financing to make investments will increase the Group's exposure to capital losses and higher interest expenses. In addition, the Group is exposed to changes in interest rates in the financing agreements entered into variable interest rates and at the end of the fixed-rate financing. The interest rate is affected, for example, by the interest rate policies of governments and central banks.

The lease financing has a variable interest rate, based on the China Loan Prime Rate 5 Year plus a margin to the leasing company. As of 31 December, the Group had a loan liability to leasing companies of SEK 908 million. There is a risk that lease financing fees will increase at the increase in China Loan Prime Rate 5 Year.

In addition, the Group has short-term bank loans in China amounting to approximately SEK 51 million with a fixed interest rate, as well as other short-term loans of approximately SEK 108 million with a fixed interest rate, of which approximately SEK 96 million refers to credits from Soltech and ASP. An increase in interest thus means an increase in the Group's interest payments, which could have a material adverse effect on the Group's operations, results of operations and financial position.

**Currency restrictions in China**

The Chinese currency CNY cannot be freely converted into other currencies. All actions relating to the payment and receipt of foreign currency, as well as the conversion of foreign currency into CNY and vice versa, are regulated. All foreign currency transactions are controlled or monitored in some form by the State Administration of Foreign Exchange, ("SAFE"). Foreign currency may not be circulated or used for payment in China. In payment of interest under a credit

facility and payment of dividends, all domestic institutions making a foreign currency payment in excess of USD 50,000 abroad must first notify the SAFE in China. Such a process may cause delays and require administrative work, which may have a negative impact on the Group's business, operations, and financial position. In repayment of loans under a credit facility, there is no requirement to make a prior notification to the SAFE in China. The Chinese government may temporarily restrict certain payments in relation to, for example, dividends.

**VAT AND OTHER TAX-RELATED ITEMS****Risks related to tax regulations in China**

The Group conducts its main business via direct and indirect subsidiaries in China. The tax strategies applied by the Group are based on its interpretation of applicable tax regulations in China. The Group may, from time to time, be subject to tax audits and other investigations by the tax authority concerned. A risk exists that the tax authority concerned will arrive at assessments and take decisions that differ from the Group's understanding and interpretation of the relevant tax legislation, which may in turn adversely affect the Group's tax expense and effective tax rate.

## Board of Directors

According to the Company's registered articles of association, the Board of Directors shall consist of a minimum of three and a maximum of nine members. The members of the Board of Directors are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting. As of the date of publication of the Annual Report 2023, the Board of Directors

consists of six members elected by the Annual General Meeting without deputies, elected for the period until the end of the Annual General Meeting 2024. The table below shows the members of the Board of Directors of the Company, when they were first elected and whether they are considered independent in relation to the Company and its management and/or major shareholders.

Name	Position	Member since	Independent in relation to the Company and its management	Independent in relation to the Company's major shareholders
Frederic Telander	Chairman	2016	No	Yes
Ben Wu	Member	2016	No	No
Stefan Ölander	Member	2016	Yes	No
Gang Bao	Member	2016	No	Yes
Vivianne Holm	Member	2020	Yes	No
Patrick de Muynck	Member	2020	Yes	Yes



### Frederic Telander

#### Working Chairman of the Board

Born in 1964.  
Working Chairman of the Board since 2020.  
Board member since 2016.

**Experience:** Former partner of EIG Venture Capital Ltd, an investment company focusing on cleantech investments. During the period 2001-2008, senior executives (CEO and Vice Chairman) of the Gas Turbine Efficiency Group, which was listed on the London Stock Exchange's AIM list in 2005. During 2007-2009 and 2018-2020, Frederic was Chairman of the Board of Soltech Energy Sweden AB (publ), and between 2009-2018, Frederic was CEO of Soltech Energy Sweden AB (publ). During the years 2016-2020, Frederic was CEO of Gigasun AB.

**Education:** University studies in business administration.

**Other current assignments:** Board member of Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd., Longrui Solar Energy (Suqian) Co., Ltd, Suqian Ruiyan New Energy Co., Ltd. and Sactum AB.

**Holding in Company:** 35,846 shares, whereof 16,006 through company. 406,849 warrants of series LTIP 2021/2024 II EC.

**Independent:** Not independent in relation to the Company and Executive Management. Independent in relation to the Company's major shareholders.



### Stefan Ölander

#### Board member

Born in 1964.  
Board member since 2016.

**Experience:** Head of Communications at SEB and Kinnevik. Founder of Rewir. CEO and Chairman of the Board of Swedish and Danish companies within the Intellecta Group. During various periods, Stefan has been both CEO and Chairman of the Board of Zacco. During the years 2012-2018, Stefan was Chairman of the Board of Soltech Energy Sweden AB (publ) and during the years 2016-2020, Stefan was Chairman of the Board of Gigasun Sweden AB.

**Education:** Upper secondary school Economics.

**Other current assignments:** CEO and Board member of SolTech Energy Sweden AB (publ). Chairman of the Board of Directors of all subsidiaries of Soltech Energy Sweden. Board member of Territorium AB, Ölander Invest AB, SEPSOLT AB, Galileus AB and Zacco AS.

**Holding in Company:** 2,581 shares, whereof 1,851 through company.

**Independent:** Independent in relation to the Company and Executive Management. Not independent in relation to the Company's major shareholders.

## Board of Directors



### Ben Wu

#### Board member

Born in 1973.  
Board member since 2016.

**Experience:** Analyst at Himalaya Capital 2002-2004. Management consultant at McKinsey 2004-2006. Assistant to Lenovo's Chairman 2007-2008. Co-founder of Advanced Solar Power Hangzhou in 2008.

**Education:** MBA Finance and Marketing, Columbia Business School. M.Sc. and B.Sc. in Mathematics and Computer Science, Colorado School of Mines.

**Other current assignments:** VD i CEO of Advanced Solar Power (Hangzhou) Inc. Board member of Advanced Solar Power (Hong Kong) Limited, Advanced Solar Power Cayman Limited and HuBei KaiLong Longyan Energy Technology Co Ltd. Executive Partner of Hangzhou Shengri Enterprise Management Consulting Partnership (Limited Partnership), Hangzhou Dingxi Enterprise Management Consulting Partnership (Limited Partnership) and Jiayun Xuanyi (Hangzhou) Enterprise Management Consulting Co., Ltd.

**Holding in Company:** 0 shares. 406,849 warrants.

**Independent:** Not independent in relation to the Company and Executive Management. Not independent in relation to the Company's major shareholders.



### Gang Bao

#### Board member

Born in 1969.  
Board member since 2016.

**Experience:** Since 2015, Gang has worked with sales and business development in Group companies. In 2012-2015, Gang was the sales and marketing manager of Advanced Solar Power Hangzhou. Between 2008-2012, Gang was manufacturing manager at Advanced Solar Power Hangzhou.

**Education:** M.Sc. in Mathematics and Computer Science, Colorado School of Mines. B.Sc. in Mathematics, ShanDong University, JiNan.

**Other current assignments:** CEO and board member of Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd. Board member of Longrui Solar Energy (Suqian) Co., Ltd, Suqian Ruiyan New Energy Co., Ltd, and HuBei KaiLong Longyan Energy Technology Co. Ltd.

**Holding in Company:** 0 shares. 387,475 warrants of series LTIP 2021/2024 II.

**Independent:** Not independent in relation to the Company and Executive Management. Independent in relation to the Company's major shareholders.



### Vivianne Holm

#### Board member

Born in 1965.  
Board member since 2020.

**Experience:** Vivianne has 30 years of experience in the financial sector. Since 2008, Vivianne has been active as a private investor in the tech sector as well as a board professional, since 2015 with a focus on cleantech. In parallel with this, Vivianne has run a consulting company and worked as an advisor to company management on issues related to raising capital and financial information. Vivianne has previously worked as an equity analyst at Alfred Berg and with corporate finance at SEB.

**Education:** Master of Business Administration, Stockholm School of Economics.

**Other current assignments:** Board Member in Soltech Energy Sweden AB (publ), Hexicon AB and Volta Greentech AB. CEO and board member of Mercurius Financial Communications AB and Investment AB Jarlen.

**Holding in Company:** 47,361 shares through companies.

**Independent:** Independent in relation to the Company and the Executive Management. Not independent in relation to the Company's major shareholders.



### Patrick de Muynck

#### Board member

Born in 1956.  
Board member since 2020.

**Experience:** Patrick has worked in the financial sector for more than 35 years, mostly based in London and New York. From 2000 to 2015, Patrick was a partner at EQT, serving as Head of Credit and a member of the management team. For a few years now, Patrick has been working via Board memberships and on his own investments.

**Education:** Commercial Engineer, Solvay College, University of Brussels.

**Other current assignments:** Chairman of the Board of Ymer SC AB, Ymer SC Fund 1 AB, Ymer SC AC AB, Brocc Holding AB, Skalmsta Ridcenter AB and Dagar hf. Board member of Kara Connect IVS, Kara Connect ehf., Skogsliden Finance AB, Brocc Finance AB and Brocc AB (publ).

**Holding in Company:** 64,031 shares.

**Independent:** Independent in relation to the Company and the Executive Management. Independent in relation to the Company's major shareholders.



## Management



### Max Metelius

#### CEO

Född 1969. CEO since 2020. Employed by Gigasun since August 2018.

**Experience:** Max has worked for the past eight years with various roles in renewable energy and was a co-founder of Alight in 2012-2017, business developer in solar energy at BMI in 2017-2018 and CFO/COO at the Company in 2018-2019. Prior to that, Max gained experience from the financial sector at Carnegie and HQ Bank during the years 1998-2012, primarily focusing on investments in emerging markets.

**Education:** Bachelor of Laws, Stockholm University. Master of Law and Economics, University of Hamburg. Studies in Economics and Earth Sciences, Stockholm University.

**Other current positions:** Board member of Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd., Longrui Solar Energy (Suqian) Co., Ltd, Suqian Ruiyan New Energy Co., Ltd., ST-Solar Holding AB, Kraftwerk Holding AB and Kraftwerk Consulting AB.

**Holding in Company:** 101,772 shares through companies and insurances. 387,475 warrants of series LTIP 2021/2024 I EC.



### Stefan Salomonsson

#### CFO

Born in 1980. CFO since 2023. Employed by Gigasun since December 2023.

**Experience:** Stefan was most recently CFO at P.F.C., a company he co-founded and which was acquired by Svea Bank in 2021. He was also co-founder and CFO of Betalo, which was divested in 2020. Prior to that, Stefan was at EY Transaction Advisory Services for eight years in Stockholm and New York.

**Education:** MSc in Business Administration, Uppsala University.

**Other current positions:** Board member of Crownstone Capital AB, Crownstone Consulting AB, NS Capital AB, I-Sport Retail 54 AB, PFC Technology AB and Rahnsäter AB. Deputy member of the Board of Directors of ST-Solar Holding AB

**Holding in Company:** 81,620 shares.



### Cecilia Xia

#### General Counsel

Born in 1992. Company lawyer since 2021. Employed by Gigasun since February 2021.

**Experience:** Cecilia has worked as a lawyer at Setterwalls Law Firm and has been active in the areas of mergers and acquisitions, venture capital and corporate law for Swedish and international companies.

**Education:** Law degree, Uppsala University.

**Other current positions:** None.

**Holding in Company:** 0 shares. 38,748 warrants of series LTIP 2021/2024 I EC.



### Gang Bao

#### CEO of the Chinese subsidiaries

Born in 1969. Employee since 2015, CEO since 2020.

**Experience:** Since 2015, Gang has worked with sales and business development in Group companies. In 2012-2015, Gang was the sales and marketing manager of Advanced Solar Power Hangzhou. Between 2008-2012, Gang was manufacturing manager at Advanced Solar Power Hangzhou.

**Education:** Sc. in Mathematics and Computer Science, Colorado School of Mines. B.Sc. in Mathematics, ShanDong University, JiNan.

**Other current positions:** Board member of Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd., Longrui Solar Energy (Suqian) Co., Ltd, Suqian Ruiyan New Energy Co., Ltd. and HuBei KaiLong Longyan Energy Technology Co. Ltd.

**Holding in Company:** 0 shares. 387,475 warrants of series LTIP 2021/2024 II.



### Frederic Telander

#### Working Chairman of the Board

Born in 1964. Working Chairman of the Board since 2020. Board member since 2016.

**Experience:** Former partner of EIG Venture Capital Ltd, an investment company focusing on cleantech investments. During the period 2001-2008, senior executives (CEO and Vice Chairman) of the Gas Turbine Efficiency Group, which was listed on the London Stock Exchange's AIM list in 2005. During 2007-2009 and 2018-2020, Frederic was Chairman of the Board of Soltech Energy Sweden AB (publ), and between 2009-2018, Frederic was CEO of Soltech Energy Sweden AB (publ). During the years 2016-2020, Frederic was CEO of Gigasun.

**Education:** University studies in business administration.

**Other current positions:** Board member of Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd., Longrui Solar Energy (Suqian) Co., Ltd, Suqian Ruiyan New Energy Co., Ltd. and Sactum AB.

**Holding in Company:** 35,846 shares, whereof 16,006 through company. 406,849 warrants of series LTIP 2021/2024 II EC.

# The Gigasun share and shareholders

The shares are listed for trading on Nasdaq OMX Stockholm, First North Growth Market. The number of shares in issue on 31 December 2023 was 57,197,225. In 2023, a directed share issue and rights share issue were carried out. See the share capital development in the table.

## Progress of share capital

	Date	Share capital (SEK)	Number of shares (*)
Opening balance	January 2020	500,000	5,000
Share issue	February 2020	3,800,000	38,000
Split 1:10	May 2020	0	387,000
Share issue of preference shares (*)	October-November 2020	15,670	1,567
Split 1:50	May 2021	0	21,146,783
Share issue of preference shares (*)	July/September 2021	7,090	35,450
Share issue in conjunction with IPO (**)	November 2021	3,426,748	17,133,739
Share issue	June 2022	178,570	892,851
Directed share issue	June-August 2023	2,820,752	14,103,762
Share issue (repair issue)	August-October 2023	690,615	3,453,073
<b>Closing balance</b>		<b>11,439,445</b>	<b>57,197,225</b>

(\*) 1 preference share counts as 1 common share

(\*\*) Preference shares convert into common shares

## WARRANT PROGRAM

As of 31 December 2023, the Company has four outstanding warrant programs (LTIP 2021/2024 I, LTIP 2021/2024 I EC, LTIP 2021/2024 II and LTIP 2021/2024 II EC) directed to the board of directors and senior executives with the purpose of ensuring consistent incentives between shareholders and persons operating in the Company.

In addition to these warrants, as of 31 December 2023, the Company has no other outstanding warrants, convertibles or similar financial instruments that may entitle to subscription of shares or otherwise affect the share capital of the Company. The total number of warrants as of 31 December 2023 amounts to 1,937,777.

The warrant program LTIP 2021/2024 I and LTIP 2021/2024 I EC was directed to the CEO and certain other key employees in the Company and LTIP 2021/2024 II and LTIP 2021/2024 II EC were directed to the board members Frederic Telander, Gang Bao and Ben Wu. The terms and conditions of the warrant program directed to the members of the board of directors correspond to the terms and conditions of the warrants directed to other key employees in the Company.

If the warrants are exercised in full, the share capital may increase by a maximum of SEK 387,475.40 through the issuance of a total of 1,937,377 new shares, entailing a dilution of approximately 3.28 percent.

For more information, see Note 3.

### The share, closing price per day (SEK)



### TRADING ON THE FIRST NORTH GROWTH MARKET

During the period 1 January to 31 December, a total of 4 million shares were traded. On average, 16,699 shares were traded per trading day.

The highest price paid during the year was SEK 19.25 (50.50) and the closing price on 31 December 2023 was SEK 6.15 (18.74), indicating a market cap of approximately SEK 352 (743) million.

### OWNER CHANGES IN SHARE CAPITAL

The total number of shareholders on 31 December 2023 was more than 19,000. Soltech Energy Sweden AB (publ.) was the largest shareholder with 30.42 percent of the shares. The table below shows the 10 largest shareholders.

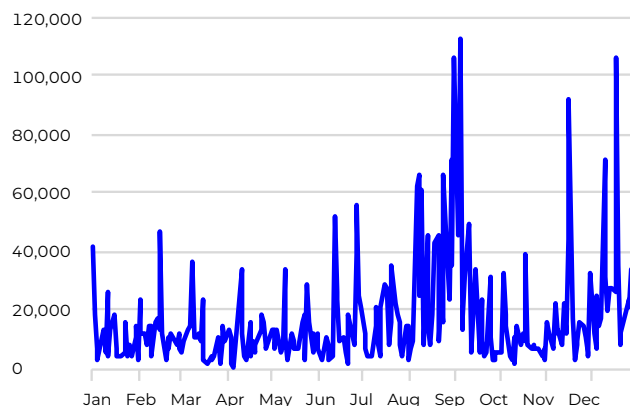
### DIVIDEND

For the foreseeable future, Gigasun will focus on growth and does not intend to pay a dividend in the next few years. The Board will evaluate the dividend issue annually. The Board of Directors proposes that no dividend be paid for 2023.

### LIQUIDITY PROVIDER

The company has, starting July 17, 2023, engaged Erik Penser Bank as liquidity provider. The company has terminated the liquidity provider assignment with Erik Penser and has appointed Carnegie Investment Bank AB as new liquidity provider for the company's shares on Nasdaq Stockholm. The arrangement is in accordance with the framework of Nasdaq Stockholm's rules on liquidity providers.

### The share, volume per trading day (SEK)



Largest shareholders	Number of shares	Capital share	Vote share
SolTech Energy Sweden AB (publ.)	17,401,830	30.42%	30.42%
Advanced Solar Power Hangzhou Inc.	16,743,940	29.27%	29.27%
Isac Brandberg AB	2,016,665	3.53%	3.53%
The World We Want Foundation	1,580,767	2.76%	2.76%
Gryningskust Holding	838,910	1.47%	1.47%
Avanza Pension	803,436	1.40%	1.40%
Cozios Enterprises	428,925	0.75%	0.75%
Futur Pension	423,097	0.74%	0.74%
Swedbank Försäkring	256,908	0.45%	0.45%
Hökerum Kapitalförvaltning	255,785	0.45%	0.45%
Other	16,446,962	28.75%	28.75%
<b>Total</b>	<b>57,197,225</b>	<b>100.00%</b>	<b>100.00%</b>

# Financial reporting

## Contents

- 38. Board of Director's Report
- 40. Multi-year overview

### FINANCIAL STATEMENTS FOR THE GROUP

- 41. Income Statement
- 42. Balance Sheet
- 44. Changes in Equity
- 45. Statement of cash flow

### FINANCIAL STATEMENTS FOR THE PARENT COMPANY

- 46. Income Statement
- 47. Balance Sheet
- 48. Changes in Equity
- 59. Notes to the Financial Statements
- 67. Definitions



# Board of directors' report

The Board of Directors and the CEO of Gigasun AB (publ) ("Gigasun") may hereby submit an annual report and Group accounts for the financial year 2023.

## BOARD OF DIRECTORS' REPORT

### INFORMATION ABOUT THE BUSINESS

Gigasun AB (publ), through its wholly owned subsidiaries in China, offers Chinese customers electricity from solar energy plants placed on the roofs of customers' properties. Gigasun 'soffer means that the company invests in, owns and operates the solar energy plant, for the customer who is buying the electricity that the plant produces at a pre-agreed price during a contract period of 20 years. The electricity that the customer does not buy is sold to the electricity grid.

The group consists of the Swedish parent company Gigasun AB (publ) 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. 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.

### EVENTS DURING THE YEAR 2023

- The company raised SEK 141 million, before deduction of issue costs, in a directed share issue.
- The company raised SEK 35 million, before deduction of issue costs, in a rights issue, so-called repair issue.
- The Company has entered into an agreement with the Chinese company JiangSu Financial Leasing Co., Ltd. to be part of the refinancing of the Company's outstanding bonds.
- The company have repaid the extended bonds SOLT2 and SOLT5. The company have also repaid the bond SOLT3.
- 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. The interest rate has increased by 2 percentage points, to 10.25 percent, as of November 8, 2023.
- During the year, the company engaged Erik Penser Bank as liquidity provider. In November, the company terminated its liquidity provider assignment with Erik Penser and appointed Carnegie Investment Bank AB as the new liquidity provider for the company's shares on Nasdaq Stockholm.
- The company signed 18 (25) contracts amounting to a total installed capacity of 48.9 (60.5) MW.
- In 2023, the company installed a total of 30.8 (48.6) MW of roof-based solar energy facilities and had 282.6 (251.8) MW installed and revenue-generating capacity at the end of the year.
- During the year, 227.6 (200.4) million kWh were produced, an increase with 14 percent, which reduced CO2-related emissions by approximately 142,000 (125,000) tons.
- At the end of 2023, the company had 44 (37) MW in signed orders.

- The number of employees at the end of the year was 19 (18), of which 15 (14) in China.
- The company's CFO, Lars Höst, has left company and been replaced by Stefan Salomonsson.

### REVENUES FOR THE GROUP FOR THE FULL YEAR 2023

- Revenues amounted to SEK 219.1 (203.8) million, an increase of 7 percent compared with the previous year. The increase is due to a larger installed base of solar energy plants. Currency effects impacted revenues by SEK -0.6 (20.5) million.
- Revenues amounted to SEK 178.4 (157.0) million, an increase of 14 percent compared with the previous year. Currency effects impacted revenues by SEK -0.5 (15.9) million.
- Other operating income amounted to SEK 40.7 (46.9) million. Currency effects impacted revenues by SEK -0.1 (4.7) million.

### RESULT FOR THE GROUP FOR THE FULL YEAR 2023

- Operating expenses amounted to SEK 146.9 (124.4) million, an increase of 18 percent. 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. Personnel costs have increased as this year's bonus outcome far exceeds the previous year's bonus outcome. In addition, during the year, the company began to purchase externally produced electricity, amounting to SEK 3.0 million, to be used for resale of the same.

Currency effects impacted operating expenses by SEK 0.3 (-9.8) million.

- Operating profit amounted to SEK 72.2 (79.4) million, a decrease of 9 percent compared with the previous year.
- Interest expenses and similar profit/loss items amounted to SEK 120.9 (134.9) million. Through the refinancing of SOLT2, SOLT3 and SOLT5 through borrowing in China and share issues, interest expenses for the second half of the year have decreased, as well as costs for Chinese withholding tax and VAT have been reduced. Finally, the cost of accrual borrowing costs has also decreased. During the first seven months of the year, however, interest expenses increased due to the extension of the SOLT2, SOLT3 and SOLT5 bonds, as well as to increases in STIBOR, EURIBOR and the EUR exchange rate.
- The exchange rate difference amounted to SEK -29.4 (20.1) 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 Gigasun and ASRE/SQ, respectively. Since August, the exchange rate difference has decreased significantly as the majority of assets and liabilities denominated in EUR have been ceased.
- Profit after tax amounted to SEK -76.3 (-29.1) million.

#### CASH FLOW FOR THE GROUP FOR THE FULL YEAR 2023

- The Group's total cash flow amounted to SEK -41.2 (-106.4) million.
- Current operations generated a cash flow of SEK 29.4 (176.8) million, where the largest change consists of an increase of accounts payable. Compared to last year, however, the increase is significantly lower.
- Investment activities generated a cash flow of SEK -257.5 (-304.6) million, which for the most part consists of investment in ongoing and new solar panels, SEK -248.3 (-359.2) million.
- Financing activities generated a cash flow of SEK 186.9 (21.3) million. During the year, the company carried out share issues, where the company received SEK 176 million, before issue costs. The company has refinanced SOLT2, SOLT3 and SOLT5 through, among other things, loans in China.

#### FINANCIAL POSITION AND LIQUIDITY FOR THE GROUP AT THE END OF THE FINANCIAL YEAR

- Total assets amounted to SEK 2,034 (1,973) million.
- Tangible fixed assets amounted to SEK 1,789 (1,724) million, which for the most part consists of solar energy facilities.
- Financial fixed assets amounted to SEK 70 (49) million, which mainly consists of VAT receivables, which arose when the company invested in ongoing and new solar energy facilities.
- Cash and bank amounted to SEK 19 (61) million.
- Equity amounted to SEK 570 (521) million.
- Long-term liabilities amounted to SEK 800 (74) million, mainly consisting of loans from leasing companies.
- Current liabilities amounted to SEK 643 (1,365) million, where the largest items consist of the SOLT4 bond, the short-term portion of loans from leasing companies, accounts payable and accrued costs for installation projects.

#### EVENTS AFTER THE END OF THE PERIOD

- The company signed 2 contracts amounting to an installed capacity of 1.7 MW.

#### THE PARENT COMPANY

- Total revenue amounted to SEK 4.0 (3.4) million, mainly invoiced service to the Chinese subsidiaries.
- Operating expenses amounted to SEK 27.0 (16.9) million. 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. Personnel costs have increased as this year's bonus outcome far exceeds the previous year's bonus outcome.
- Operating profit amounted to -23.0 (-13.5) MSEK.
- Interest income and similar income items amounted to SEK 39.0 (77.0) million, and mostly consist of transactions within the group. The decrease for the current year is due to the fact that the intercompany loans have decreased and then ceased during the third quarter.
- Interest expenses and similar income items amounted to SEK 65.8 (105.6) million. During the first half of the year, interest expenses increased as STIBOR and EURIBOR increased, as well as increased interest rates for SOLT2 and

SOLT5 in connection with the extensions. With the repayment of SOLT2, SOLT3 and SOLT5 at the end of the first half of the year, the interest expenses for these loans have ceased.

- Exchange rate difference amounted to SEK 20.2 (44.2) million. In connection with the refinancing of the bond loans, as the intercompany loans between Gigasun and ASRE and SQ have also been repaid, the currency exposure has been significantly reduced, and as a result the exchange rate difference has been reduced to a minimum as of August.
- Profit after tax amounted to SEK -29.7 (2.1) million.

#### OWNER INFORMATION

The company's largest owners as of December 31st are:

	Number of shares	Capital share	Vote share
SolTech Energy Sweden AB (publ.)	17,401,830	30.42%	30.42%
Advanced Solar Power Hangzhou Inc.	16,743,940	29.27%	29.27%

#### PROPOSAL FOR PROFIT DISTRIBUTION

Available unrestricted equity in the Parent Company at the Annual General Meeting:

Retained earnings	-67,256,235
Share premium fund	749,866,785
Profit for the year	-29,509,122
<b>Total (SEK)</b>	<b>653,101,428</b>

The Board of Directors proposes that the accumulated profit be treated as follows:

Transferred to a new account 653,101,428 SEK.

# Multi-year overview

## Group

(SEK 000')	230101-231231	220101-221231	210101-211231	200101-201231	190101-191231
Total revenue	219,064	203,849	153,526	138,794	105,000
Net revenue share of total revenue	81%	77%	76%	62%	58%
EBIT	72,178	79,428	60,674	76,179	60,849
EBIT%	33%	39%	40%	55%	58%
EBITDA	146,744	149,115	110,759	115,251	90,158
EBITDA%	67%	73%	72%	83%	86%
Amortization of capitalised borrowing costs	8,989	27,793	26,800	22,945	12,926
Interest expenses	102,286	94,308	87,085	85,656	61,851
Average number of employees	18	16	14	14	13
(SEK 000')	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Interest-bearing debt	1,136,669	1,127,561	1,031,130	977,322	948,570
Equity ratio	28%	26%	28%	16%	15%

## Parent Company

(SEK 000')	230101-231231	220101-221231	210101-211231	200101-201231
EBIT	-23,046	-13,488	-11,658	-8,465
Average number of employees	4	4	4	2
(SEK 000')	2023-12-31	2022-12-31	2021-12-31	2020-12-31
Total assets	777,427	1,556,227	1,491,927	1,267,849
Equity ratio	85%	34%	34%	24%

## Group reports

# Income Statement

(SEK 000')	Note	230101-231231	220101-221231
Net revenue		178,388	156,972
Other operating income		40,676	46,877
<b>Total revenue</b>	1, 4	<b>219,064</b>	<b>203,849</b>
<b>Operating expenses</b>			
Other external expenses	5, 21	-53,014	-40,016
Personnel expenses	1, 3	-19,306	-14,718
Depreciation, amortization and write-downs	1, 6	-74,567	-69,687
<b>Total operating expenses</b>		<b>-146,887</b>	<b>-124,421</b>
<b>Operating profit / EBIT</b>		<b>72,178</b>	<b>79,428</b>

(SEK 000')	Note	230101-231231	220101-221231
<b>Result from financial items</b>	1, 7		
Interest income and similar income items		128	409
Interest expenses and similar charges		-120,871	-134,944
Currency gains and losses		-29,351	20,051
<b>Profit after financial items</b>		<b>-78,928</b>	<b>-35,056</b>
Tax	1, 8	1,653	5,972
<b>The result for the period</b>		<b>-76,263</b>	<b>-29,084</b>
Attributable to the parent company's owners		-76,1362	-29,426
Minority interest		-127	342
Earnings per share for the period before dilution, SEK	24	-1.62	-0.75
Earnings per share for the period after dilution, SEK	24	-1.62	-0.75
Weighted average number of outstanding ordinary shares	24	46,932,241	39,228,686
Weighted average number of outstanding ordinary shares after dilution	24	48,869,618	41,166,063



## Group reports

# Balance Sheet

(SEK 000')	Note	2023	2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>	1, 2, 9		
Total intangible fixed assets		39,958	45,180
<b>Total intangible fixed assets</b>		<b>39,958</b>	<b>45,180</b>
<b>Tangible fixed assets</b>	1, 2, 10, 20		
Solar PV installations		1,650,984	1,595,681
Solar PV installations under construction		136,135	125,899
Other tangible assets		2,120	2,734
<b>Total tangible fixed assets</b>		<b>1,789,238</b>	<b>1,724,314</b>
<b>Financial assets</b>			
Other long-term receivables	2, 11	52,633	42,590
Deferred tax assets	1, 2, 22	16,895	6,421
<b>Total financial fixed assets</b>		<b>69,528</b>	<b>49,011</b>
<b>Total fixed assets</b>		<b>1,898,725</b>	<b>1,818,505</b>

(SEK 000')	Note	2023	2022
<b>Current assets</b>			
<b>Short-term receivables</b>	2		
Accounts receivable		40,971	36,371
Other receivables		14,993	25,932
Prepaid expenses and accrued income	12	59,697	31,485
<b>Total current receivables</b>		<b>115,660</b>	<b>93,788</b>
<b>Cash and bank balances</b>			
Cash and bank balances	13	19,143	60,794
<b>Total cash and bank balances</b>		<b>19,143</b>	<b>60,794</b>
<b>Total current assets</b>		<b>134,803</b>	<b>154,582</b>
<b>TOTAL ASSETS</b>		<b>2,033,528</b>	<b>1,973,087</b>

## Group reports

# Balance Sheet, continued

(SEK 000')	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	23	11,439	7,928
Additional paid in capital		736,541	569,427
Retained earnings including profit/loss for the period		-178,268	-56,445
<i>Equity related to:</i>			
Owners of the parent company		569,713	514,025
Minority interest in equity:		0	6,885
<b>Total equity</b>		<b>569,713</b>	<b>520,910</b>
<b>Provisions</b>			
Deferred tax liability	1, 2, 22	21,109	12,928
<b>Total provisions</b>		<b>21,109</b>	<b>12,928</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	15	0	73,782
Liabilities to credit institutions	18	800,041	0
<b>Total non-current liabilities</b>		<b>800,041</b>	<b>73,782</b>

(SEK 000')	Note	2023	2022
<b>Current liabilities</b>			
Liabilities to credit institutions	18	159,039	55,563
Bond loan	16, 17	70,370	963,358
Accounts payable		246,546	227,521
Tax liabilities		891	783
Other current liabilities		103,238	13,082
Accrued expenses and prepaid income	14	62,581	105,160
<b>Total current liabilities</b>		<b>642,665</b>	<b>1,365,467</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,033,528</b>	<b>1,973,087</b>

## Group reports

# Changes in equity

230101-231231

(SEK 000')	Share capital	Other contributed equity	Translation reserve	Retained earnings including profit for the period	Total	Minority share	Total equity
Opening balance	7,928	569,427	72,330	-135,660	514,025	6,885	520,910
Result for the period	0	0	0	-76,136	-76,136	-127	-76,263
Translation differences	0	0	-38,802	0	-38,802	-398	-39,200
Rights issue	3,511	172,057	0	0	175,568	0	175,568
Issue cost	0	-5,971	0	0	-5,971	0	-5,971
Transactions with minority interest	0	1,028	0	0	1,028	-6,360	-5,332
<b>Closing balance</b>	<b>11,439</b>	<b>736,541</b>	<b>33,528</b>	<b>-211,796</b>	<b>569,713</b>	<b>0</b>	<b>569,713</b>

220101-221231

(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	-29,426	-29,426	342	-29,084
Translation differences	0	0	34,760	0	34,760	440	35,200
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	-1,406	-1,406
<b>Closing balance</b>	<b>7,928</b>	<b>569,427</b>	<b>72,330</b>	<b>-135,660</b>	<b>514,025</b>	<b>6,885</b>	<b>520,910</b>

## Group reports

# Statement of cash flow

(SEK 000')	Note	230101-231231	220101-221231
<b>Cash flow from operating activities</b>			
Operating profit (EBIT)		72,178	79,428
Adjustment for depreciation, amortization and write-downs		74,567	69,687
Adjustment for items not included in the cash flow	19	30,113	6,838
		<b>176,857</b>	<b>155,953</b>
Interest received		128	409
Interest paid		-165,788	-108,965
Income tax paid		-208	-1,509
		<b>-165,868</b>	<b>-110,065</b>
Change in accounts receivables		-7,146	1,985
Change in other short-term receivables		-14,138	-13,563
Change in accounts payables		34,365	111,563
Change in other current liabilities		5,317	30,955
<b>Cash flow from working capital</b>		<b>18,399</b>	<b>130,940</b>
<b>Cash flow from operating activities</b>		<b>29,388</b>	<b>176,828</b>

(SEK 000')	Note	230101-231231	220101-221231
<b>Investing activities</b>			
Investments in tangible fixed assets		-248,303	-359,201
Change in other financial fixed assets		-9,242	54,607
<b>Cash flow from investing activities</b>		<b>-257,545</b>	<b>-304,594</b>
<b>Financing activities</b>			
Shareholders' contributions		175,566	17,940
Share issue cost		-5,971	-1,194
Net proceeds from new loans		1,015,398	70,594
Repayment of loans		-992,333	-64,586
Transactions with minority interest		-5,714	-1,406
<b>Cash flow from financing activities</b>		<b>186,945</b>	<b>21,348</b>
Cash flow for the period		-41,211	-106,418
Translation difference in cash and cash equivalents		-440	6,488
Cash and cash equivalents opening balance		60,794	160,724
<b>Cash and cash equivalents closing balance</b>	13	<b>19,142</b>	<b>60,794</b>



## Parent company's reports

# Income Statement

(SEK 000')	Note	230101-231231	220101-221231
<b>OPERATING INCOME</b>			
Net revenue		3,966	3,366
Other operating income		0	0
<b>Total revenue</b>	1, 4	<b>3,966</b>	<b>3,366</b>
<b>OPERATING EXPENSES</b>			
Other external expenses	5, 21	-12,893	-5,551
Personnel expenses	1, 3	-14,103	-11,298
Depreciation, amortization and write-downs	1, 6	-16	-5
<b>Total operating expenses</b>		<b>-27,012</b>	<b>-16,854</b>
<b>Operating profit / EBIT</b>		<b>-23,046</b>	<b>-13,488</b>
<b>RESULT FROM FINANCIAL ITEMS</b>			
	1, 7		
Interest income and similar income items		38,980	76,982
Interest expenses and similar charges		-65,828	-105,649
Currency gains and losses		20,173	44,168
<b>Profit after financial items</b>		<b>-29,721</b>	<b>2,013</b>
Group contributions		49	71
<b>Profit before tax</b>		<b>-29,672</b>	<b>2,084</b>
Tax	1, 8	0	0
<b>The result for the period</b>		<b>-29,672</b>	<b>2,084</b>

## Parent company's reports

# Balance Sheet

(SEK 000')	Note	2023	2022
<b>FIXED ASSETS</b>			
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>	1, 2, 10, 20		
Other tangible assets		57	48
<b>Total tangible fixed assets</b>		<b>57</b>	<b>48</b>
<b>Financial assets</b>			
Shares in group companies	2, 11	715,788	698,410
Receivables from group companies	1, 2, 22	42,182	805,305
<b>Total financial fixed assets</b>		<b>757,971</b>	<b>1,503,715</b>
<b>Total fixed assets</b>		<b>758,028</b>	<b>1,503,763</b>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group companies		4,169	49,842
Other receivables		761	672
Prepaid expenses and accrued income		496	715
<b>Total current receivables</b>	12	<b>5,426</b>	<b>51,229</b>
<b>Cash and bank balances</b>			
Cash and bank balances		13,972	1,235
<b>Total cash and bank balances</b>	13	<b>13,972</b>	<b>1,235</b>
<b>Total current assets</b>		<b>19,399</b>	<b>52,464</b>
<b>TOTAL ASSETS</b>		<b>777,427</b>	<b>1,556,227</b>

(SEK 000')	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	23	11,439	7,928
<i>Unrestricted equity</i>			
Share premium fund		749,867	583,779
Retained earnings		-67,256	-69,339
Profit (loss) for the year		-29,672	2,084
<b>TOTAL EQUITY</b>		<b>664,378</b>	<b>524,452</b>
<b>Long-term liabilities</b>			
Other long-term liabilities	15	0	31,995
<b>Total long-term liabilities</b>		<b>0</b>	<b>31,995</b>
<b>Current liabilities</b>			
Bond loan	16, 17	70,370	970,120
Accounts payable		512	15
Other current liabilities		35,234	200
Accrued expenses and prepaid income	14	6,933	29,445
<b>Total current liabilities</b>		<b>113,049</b>	<b>999,780</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>777,427</b>	<b>1,556,227</b>

## Parent company's reports

# Changes in equity

### 230101-231231

(SEK 000')	Restricted equity	Unrestricted equity			Total equity
	Share capital	Retained earnings	Share premium fund	Result for the period	
Opening balance	7,928	-69,339	583,779	2,084	524,452
Disposition of results	0	2,084	0	-2,084	0
Rights issue	3,689	0	171,879	0	175,568
Issue cost	0	0	-5,970	0	-5,970
Result for the period	0	0	0	-29,672	-29,672
<b>Closing balance</b>	<b>11,618</b>	<b>-67,255</b>	<b>749,688</b>	<b>-29,672</b>	<b>664,378</b>

### 220101-221231

(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
Rights issue	179	0	17,761	0	17,940
Issue cost	0	0	-1,194	0	-1,194
Result for the period	0	0	0	2,084	2,084
<b>Closing balance</b>	<b>7,928</b>	<b>-69,339</b>	<b>583,779</b>	<b>2,084</b>	<b>524,452</b>

# Notes

## Note 1. Accounting and valuation principles

### GENERAL ACCOUNTING PRINCIPLES

The annual 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 BFAR 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.

Assets are divided into current assets and fixed assets. An asset is considered a current asset if it is expected to be realized within twelve months from the balance sheet date or within the company's business cycle. With business cycle refers to the time from the start of production until the company receives payment for delivered services or goods. The group's business cycle is estimated to be less than one year. If an asset does not meet the requirement for a current asset it is classified as a fixed asset. Offsetting of receivables and liabilities has not been made.

Liabilities are divided into current and non-current liabilities. Liabilities that are due within twelve months from the balance sheet Date, are reported as current liabilities. Everything else constitutes long-term liabilities.

### CONSOLIDATED FINANCIAL STATEMENTS

The Annual report cover the parent company Gigasun (publ) and the companies over which the parent company directly or indirectly has a controlling influence. Controlling influence means a right to decide on another company's financial and operational strategies in order to obtain economic benefits. In assessing whether a controlling influence exists, consideration shall be given to holdings of financial instruments

with potential voting rights and which can be, without delay, utilised or converted into financial instruments with voting rights. Consideration shall also be taken of whether the company through an agent has the possibility to control the business.

Controlling influence normally exists when the parent company directly or indirectly holds shares that represent more than 50 percent of the votes. A subsidiary's income and expenses are included in the consolidated financial statements from the time of the acquisition of the controlling influence until the time when the parent company no longer has a controlling influence over the subsidiary.

All intra-group transactions, balances and unrealised gains and losses attributable to intra-group transactions have been eliminated in the preparation of the Annual report. The Group's earnings and components in equity are attributable to the parent company's owners and minority interests. Minority interests are reported separately in equity in the consolidated balance sheet and in direct connection with the item "Profit for the year" in the consolidated income statement.

If consolidated equity regarding the subsidiary is negative, the minority interest in the subsidiary is reported as a claim on the minority, a negative item within equity, only if the minority has a binding obligation to cover the capital deficit and is able to fulfill the obligation.

### BUSINESS ACQUISITIONS

Business acquisitions are reported in accordance with acquisition accounting. The purchase price for the business is measured at fair value at the time of acquisition, which is calculated as the total of the fair values at the time of acquisition for paid assets, incurred or assumed liabilities and issued equity instruments and expenses that are directly attributable to the business acquisition. An example of expenses is transaction costs. The purchase price includes a contingent purchase price, provided that at the time of the acquisition, it is probable that the purchase price will be adjusted at a later date and that the amount can be estimated in a reliable manner. The acquisition value of the acquired unit is adjusted

on the balance sheet date and when the final purchase price is determined, however not later than one year after the acquisition date.

The combined financial statements have been prepared in accordance with acquisition accounting. The time of acquisition is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair values at the time of acquisition. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value, including the value of the minority interest, and is initially valued at acquisition value. When acquiring less than all shares in the acquired entity, the value of the minority's share is added to the acquisition value. At the time of acquisition, goodwill is reported at acquisition value and after the first accounting after the acquisition, it is valued as acquisition value after deductions for depreciation and any write-downs.

Other intangible assets refer to acquired customer contact. These intangible assets are amortized in accordance with the remaining maturity of the underlying contract.

### FOREIGN CURRENCY

Receivables and liabilities in foreign currency are translated into Swedish kronor at the exchange rate on the balance sheet date. Income and expenses in a foreign operation are translated into Swedish kronor at an average exchange rate that approximates the exchange rates at the time of the respective transaction. Exchange rate differences that arise from currency translation of foreign operations are reported as equity. Gains and losses on receivables and liabilities of an operating nature are reported net among other operating income or other operating expenses. Gains and losses on receivables and liabilities of a financial nature are reported under "Profit from financial investments" as exchange rate differences. Currency hedging has not been applied.

### INCOME

#### Sale of solar energy

Revenues from solar energy are calculated on the basis of



produced watts and are reported after deductions for VAT and any discounts.

#### Grants and subsidies

ASRE receives various forms of grants from Chinese authorities, so-called subsidies (state, regional and local subsidies), from the production of electricity. Grants are received per watt produced and are reported as income of the period in which the production of electricity takes place. This income is reported as other operating income, which also includes other items, such as the resale of purchased electricity.

#### REMUNERATION TO EMPLOYEES

Short-term remuneration in the group consists of salary, social security contributions, paid vacation, paid sick leave, medical care and, where applicable, bonuses. Short-term remuneration is reported as an expense and a liability when there is a legal or informal obligation to pay such remuneration.

In Gigasun, there are individual, defined contribution pension payments. In defined contribution plans, the company pays fixed fees to another company and has no legal or informal obligation to pay anything additional after termination of employment. The group's earnings are charged for costs as the employees' pensionable services are performed. There is no pension plan in the Chinese operation.

#### INCOME TAX

##### Current tax

Current tax is calculated on the taxable income for the period. Taxable income differs from what is reported as result in the income statement as it has been adjusted for non-taxable income and non-deductible expenses and for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated according to the tax rates that apply as of the balance sheet date. The state income tax for Swedish legal persons who are their own tax subjects regarding income tax is 20.6 percent of the taxable profit before tax. For legal entities in China, the corresponding tax rate is 25.0 percent, however, with the following reductions of the tax rate:

- 100 percent reduction during the company's first three financial years,
- 50 percent reduction during the company's next three financial years.

##### Deferred tax

Deferred tax is reported in liabilities in the Financial Statements and the tax value used in calculating taxable income. Deferred tax is reported according to the so-called balance sheet method. Deferred tax liabilities are reported for essentially all taxable temporary differences, and deferred tax liabilities are reported in principle for all deductible temporary differences to the extent that it is probable that the amounts can be utilized against future taxable surpluses.

##### INTANGIBLE FIXED ASSETS

Intangible fixed assets are reported at acquisition value less accumulated depreciation and any amortization. Amortization is made on a straight-line basis over the estimated useful life. Other intangible assets refer to acquired customer contracts. These intangible assets are amortized in accordance with the remaining maturity of the underlying contract. Amortization of intangible assets are reported in the consolidated income statement within the item "Depreciation and amortization".

The following amortization period is applied:

- Customer contracts 20 years

##### 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".

##### FINANCIAL FIXED ASSETS

Financial fixed assets consist of shares in subsidiaries, VAT receivables in the Chinese operation and deferred tax assets.

- Shares in subsidiaries are reported at acquisition value after deductions for any amortization. The acquisition value includes the purchase price paid for the shares as well as acquisition costs and estimated, not determined additional purchase price.
- The Chinese companies have a VAT receivable, which has mostly arisen when investment in solar panels has been made during the installation of each customer project. This VAT receivable is settled on an ongoing basis as the Company offsets the VAT receivable against outgoing VAT incurred when invoicing electricity to the customer.
- Deferred tax assets are calculated annually and consist for the most part of loss carried forward in the Chinese operation.

**FINANCIAL INSTRUMENTS**

Financial instruments are reported in accordance with the rules in K3, Chapter 11, which means that valuation takes place in accordance with the acquisition value. Financial instruments reported in the balance sheet include securities, accounts receivable and other receivables, accounts payable and liabilities. The instruments are reported in the balance sheet when Gigasun becomes a party to the instrument's contractual terms.

Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or transferred and the group has transferred virtually all risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise ceased. Costs for raising bond debt is accrued over the term of the loan.

**ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES**

Receivables are reported as current assets with exceptions for items maturing more than 12 months after the balance sheet date, which are classified as fixed assets. Receivables are taken up to the amount that is expected to be paid after deduction for individual assessed doubtful receivables.

**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. Short-term accounts payable are reported at acquisition value.

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.

**LEASING**

In the group, there is only operational leasing. Leasing fees in the case of operational leasing agreements, expenses are expensed linearly over the leasing period, unless another systematic way better reflects the user's financial benefit over time.

**CASH FLOW ANALYSIS**

The cash flow analysis is prepared according to an indirect method. The reported cash flow only includes transactions such as entailed inflows or outflows. In addition to cash, the company classifies available balances with banks and other credit institutions as cash and cash equivalents.

**PROVISIONS**

Provisions are reported when the group has an existing obligation (legal or informal) as a result of an event that has occurred, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. A provision is reviewed each balance sheet date and adjusted to reflect the best estimate of the amount required to settle the existing obligation on the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the payments that are expected to be required to settle the obligation, the carrying amount corresponds to the present value of these payments.

**THE PARENT COMPANY'S ACCOUNTING AND VALUATION PRINCIPLES**

The same accounting and valuation principles are applied in the parent company as in the Group, except in the cases listed below.

**Leasing**

All leasing agreements where the company is the lessee are reported as operational leasing (lease agreement), regardless of whether the agreements are financial Notes or operational. The leasing fee is reported as an expense linearly over the lease term.

**Year-end appropriations**

Changes in untaxed reserves are reported as appropriations in the income statement. Group contributions are reported as appropriations. Group contribution which is submitted to a subsidiary is, however, reported as one increase in the carrying amount of the share.

**Shares in subsidiaries**

Shares in subsidiaries are reported at acquisition value after deduction of any write-downs. In the acquisition value includes the purchase price paid for the shares and acquisition costs. Any capital injections and group contributions are added the acquisition value when they are provided. Dividend from subsidiaries reported as income.

**Equity**

Equity is divided into restricted and unrestricted capital, in accordance with the Annual Accounts Act division.

**Untaxed reserves**

Untaxed reserves are reported with gross amounts in the balance sheet, including the deferred tax liability attributable to reserves.

**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 power 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. Regarding allowance for doubtful accounts receivable, the company estimates that these accounts receivable will be settled by customers within the next calendar year.

##### Deferred tax liability

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

#### ACCOUNTS RECEIVABLE

Accounts receivable occurs when selling electricity to Chinese customers. The Group makes an ongoing assessment of accounts receivable, and this have resulted in a provision for bad debts, SEK 3.7 (3.2) million. The Company's assessment is that the Company's customers are financially healthy, and that payment of outstanding accounts receivable will take place.

#### 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 and a rights issue of SEK 35 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. The debt for SOLT4 amounts to 70.4 million SEK. Additionally, the company has financing through bank loans in China totaling 50.9 million SEK, which matures in 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 significant uncertainty regarding going concern in the current business plan

### Note 3. Employees

#### REMUNERATION TO EXECUTIVE MANAGEMENT

Proposals for remuneration to the CEO and senior executives are submitted by the remuneration committee to the board, which is the decision-making body regarding remuneration and other terms of employment for the CEO.

The CEO, Max Metelius has received remuneration of TSEK 2,051 (1,871) plus a variable part of TSEK 930 (0). In addition to salary and, where applicable, variable salary, the CEO receives a pension provision of 30% of the fixed gross salary.

Max Metelius has a notice period of six months in the event of termination by the employee and twelve months in the event of termination by the company. Max Metelius is not entitled to severance pay.

The CFO, Lars Höst, has received remuneration of TSEK 640 (1,151) plus a variable part of TSEK 158 (94). In addition to salary and, where applicable, variable salary, Lars Höst receives a pension provision of 20% of the fixed gross salary. Lars Höst has left his employment as CFO in August 2023, and thereafter hired as acting CFO, on a consultancy basis, until the end of November. Compensation for the consultation amounts to TSEK 469.

The CFO, Stefan Salomonsson, has taken over as CFO on December 1st 2023. Stefan Salomonsson has received remuneration of TSEK 95 (0) plus a variable part of TSEK 0 (0). In addition to salary and, where applicable, variable salary, Stefan Salomonsson receives a pension provision of 20% of the fixed gross salary. The CFO has a notice period of six months in the event of termination by the employee and six months in the event of termination by the company. Stefan Salomonsson is not entitled to severance pay.

Legal Counsel, Cecilia Xia, has received remuneration of TSEK 817 (939) plus a variable part of TSEK 117 (44). In addition to salary and, where applicable, variable salary, Cecilia Xia receives a pension provision of 20% of the fixed gross salary. The Legal Counsel has a notice period of three months in the event of termination by the employee and three months in the event of termination by the company. Cecilia Xia is not entitled to severance pay.

CEO of the Group's Chinese subsidiaries, Gang Bao, has received remuneration of TSEK 957 (814) plus a variable part of TSEK 365 (135). No pension is paid. Gang Bao has a notice period of one month in the event of termination by the employee and six months in the event of termination by the company. Gang Bao is not entitled to severance pay.

#### REMUNERATION TO THE BOARD OF DIRECTORS

The board's remuneration is resolved by the annual general meeting. Remuneration to the chairman of the board amounts to TSEK 400 per year and TSEK 200 for each of

the other board members. A board member who has been paid by the company due to employment shall not, however, receive board remuneration, either in the parent company or another company within the Group.

Working chairman of the board, Frederic Telander received remuneration of TSEK 2,199 (1,989) plus a variable part of TSEK 990 (0). In addition to salary and, where applicable, variable salary, the chairman receives a pension provision of 30% of the fixed gross salary. Frederic Telander has a notice period of six months in the event of termination by Frederic Telander and twelve months in the event of termination by the company. Frederic Telander is not entitled to severance pay.

#### Average number of employees

	Group		Parent company	
	2023	2022	2023	2022
Men	8	7	3	3
Women	11	9	1	1
	19	16	4	4
China	15	12	0	0
Sweden	4	4	4	4
	19	16	4	4

#### Salaries, other benefits and social security contribution

	Group		Parent company	
	2023	2022	2023	2022
Salaries and other remuneration	12,856	9,628	8,597	6,562
Social security contribution	6,253	4,553	5,310	4,199
Social security contribution, whereof pensions costs	2,131	1,747	2,131	1,747
	19,109	14,181	13,906	10,761

#### Remuneration to executive management – Group

	2023		2022	
	Salaries and other remuneration	Pension costs	Salaries and other remuneration	Pension costs
Frederic Telander, chairman of the board	3,189	693	1,989	567
Whereof variable remuneration	990	0	0	0
Max Metelius, CEO	2,981	651	1,871	596
Whereof variable remuneration	930	0	0	0
Patrick de Myunck, boardmember	200	0	179	0
Vivianne Holm, boardmember	200	0	179	0
Stefan Ölander, boardmember	200	0	117	0
Other executive management (*)	3,149	787	3,312	585
Whereof variable remuneration	640	0	273	0
	9,919	2,131	7,647	1,747



## Remuneration to executive management – Parent company

	2023		2022	
	Salaries and other remuneration	Pension costs	Salaries and other remuneration	Pension costs
Frederic Telander, chairman of the board	3,189	693	1,989	567
Whereof variable remuneration	990	0	0	0
Max Metelius, CEO	2,981	651	1,871	596
Whereof variable remuneration	930	0	0	0
Patrick de Myunck, boardmember	200	0	179	0
Vivianne Holm, boardmember	200	0	179	0
Stefan Ölander, boardmember	200	0	117	0
Other executive management (*)	1,827	787	2,228	585
Whereof variable remuneration	275	0	138	0
	<b>8,597</b>	<b>2,131</b>	<b>6,562</b>	<b>1,747</b>

(\*) In addition to salaries and other remuneration, Lars Höst, through companies, invoiced SEK 469,000 for CFO services rendered, during the period August until November 2023.

## WARRANTS PROGRAM

On October 28, 2021, the Annual General Meeting resolved on four warrant programs. Two of the warrant programs are aimed at board members, one for board members in China and one for board members in Sweden. The other two warrant programs are aimed at the company's key personnel, one for key personnel in China and one for key personnel in Sweden.

The total number of warrants that have been issued in the two warrant programs corresponds to 3.28 percent of the share capital after the completion of the issues. This creates a potential dilution effect of 3.28 percent of the share capital after the completion of the issue.

Subscription of shares with the support of the warrants can take place during the period 15 November 2024 – 16 December 2024. The usual conversion terms apply to the warrants. As a result of the warrants being transferred on market terms, no costs for employer contributions will be imposed on the company due to the warrant programs.

## Change in the number of outstanding warrants in incentive programs

	2023	2022
Opening balance	1,937,377	1,937,377
Assigned	0	0
Redeemed	0	0
Forfeited / expired	0	0
<b>Closing balance</b>	<b>1,937,377</b>	<b>1,937,377</b>

Warrants 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
LTIP 2021/2024 II EC	2021	406,849	406,849	241115-241216	36.45	Board of Directors
LTIP 2021/2024 I	2021	193,738	193,738	241115-241216	36.45	Employees
LTIP 2021/2024 II	2021	794,324	794,324	241115-241216	36.45	Board of Directors
		<b>1,937,377</b>	<b>1,937,377</b>			

## Note 4. Revenue distribution by business area and geographic markets

### Net revenue distributed by business area

	Group		Parent company	
	2023	2022	2023	2022
Electricity sales	178,388	156,972	0	0
Service fee	0	0	3,966	3,366
	<b>178,388</b>	<b>156,972</b>	<b>3,966</b>	<b>3,366</b>

### Net revenue distributed by geographic markets

	Group		Parent company	
	2023	2022	2023	2022
China	178,388	156,972	3,966	3,366
Sweden	0	0	0	0
	<b>178,388</b>	<b>156,972</b>	<b>3,966</b>	<b>3,366</b>

### Other operating income

	Group		Parent company	
	2023	2022	2023	2022
Subsidies for green electricity	36,309	43,496	0	0
Investment contribution	545	196	0	0
Insurance Compensation	50	2,768	0	0
Resale of electricity	3,772	0	0	0
Other	0	416	0	0
	<b>3,772</b>	<b>46,877</b>	<b>0</b>	<b>0</b>

Other types of income: interest income is reported in accordance with the effective interest rate method.

## Note 5. Remuneration to the auditors

	Group		Parent company	
	2023	2022	2023	2022
<b>E&amp;Y</b>				
Audit assignment	2,362	2,637	564	530
Audit activities in addition to audit assignment	0	25	0	25
Tax advice	18	106	18	106
Other assignments	40	0	40	0
	<b>2,420</b>	<b>2,768</b>	<b>622</b>	<b>661</b>

## Note 6. Depreciation, amortization and write-downs

### Depreciation, amortization and write-downs by asset class

	Group		Parent company	
	2023	2022	2023	2022
Other intangible fixed assets	2,717	2,723	0	0
Other tangible fixed assets	1,025	898	16	5
Solar PV installations	70,825	66,065	0	0
	<b>74,567</b>	<b>69,687</b>	<b>16</b>	<b>5</b>

## Note 7. Result from financial investments

	Group		Parent company	
	2023	2022	2023	2022
Interest income	128	409	0	76,982
Currency gains	77,782	146,059	77,782	146,059
<b>Financial income</b>	<b>77,911</b>	<b>146,468</b>	<b>77,782</b>	<b>223,041</b>
Interest expenses	-102,286	-94,308	-64,525	-89,944
Amortize of capitalized borrowing expenses	-8,989	-27,793	-1,303	-15,705
Taxes related to intragroup interest expenses	-9,596	-12,843	0	0
Currency losses	-107,133	-126,008	-57,610	-101,890
<b>Financial expenses</b>	<b>-228,004</b>	<b>-260,952</b>	<b>-123,438</b>	<b>-207,539</b>
<b>Total result from financial investments</b>	<b>-150,094</b>	<b>-114,484</b>	<b>-45,656</b>	<b>15,502</b>

## Note 8. Tax on profit for the year

	Group		Parent company	
	2023	2022	2023	2022
Current tax	-371	1,145	0	0
Deferred tax	2,024	4,827	0	0
<b>Sum tax</b>	<b>1,653</b>	<b>5,972</b>	<b>0</b>	<b>0</b>
Earnings before tax	-77,916	-35,055	-29,672	2,084
Tax calculated according to current tax rate	16,051	7,221	6,112	-429
Tax effect of non-deductible expenses	1,072	-5,575	-5,640	-4,192
Tax effect of non-taxable income	-873	-2,772	5	0
Tax attributable to previous years result	0	1,145	0	0
Tax effect of losses carry forward	0	5,012	0	0
Non reported deferred tax	6,003	3,422	-478	4,621
Effect of foreign tax rates	-22,623	-2,297	0	0
Other	2,024	-185	0	0
<b>Reported tax expense</b>	<b>1,653</b>	<b>5,972</b>	<b>0</b>	<b>0</b>

## Note 9. Intangible fixed assets

Other intangible assets	Group		Parent company	
	2023	2022	2023	2022
Opening balance accumulated acquisitions	54,993	51,950	0	0
Conversion difference	-3,237	3,043	0	0
Increase through company acquisition	0	0	0	0
Reclassifications	0	0	0	0
<i>Closing balance accumulated acquisitions</i>	<i>51,756</i>	<i>54,993</i>	<i>0</i>	<i>0</i>
Opening balance accumulated amortization	-9,813	-6,698	0	0
Conversion difference	732	-392	0	0
Amortization for the period	-2,717	-2,723	0	0
<i>Closing balance accumulated amortization</i>	<i>-11,798</i>	<i>-9,813</i>	<i>0</i>	<i>0</i>
<b>Closing balance</b>	<b>39,958</b>	<b>45,180</b>	<b>0</b>	<b>0</b>

The above table derives from customer contracts related to acquired customer contracts.

## Note 10. Tangible fixed assets

Other tangible assets	Group		Parent company	
	2023	2022	2023	2022
Opening balance accumulated acquisitions	7,432	6,048	58	23
Conversion difference	-450	353	0	0
Investments for the period	570	1,031	25	35
Sales/disposals	-257	0	0	0
<i>Closing balance accumulated acquisitions</i>	<i>7,295</i>	<i>7,432</i>	<i>83</i>	<i>58</i>
Opening balance accumulated depreciation	-4,698	-3,591	-10	-5
Conversion difference	320	-210	0	0
Amortization for the period	-1,025	-898	-16	-5
Sales/disposals	227	0	0	0
<i>Closing balance accumulated depreciation</i>	<i>-5,176</i>	<i>-4,698</i>	<i>-26</i>	<i>-10</i>
<b>Closing balance</b>	<b>2,119</b>	<b>2,734</b>	<b>57</b>	<b>48</b>

## Solar PV installations

	Group		Parent company	
	2023	2022	2023	2022
Opening balance accumulated acquisitions	1,820,293	1,459,361	0	0
Conversion difference	-107,244	85,433	0	0
Investments for the period	1,570	2,599	0	0
Write-downs	0	-4,379	0	0
Sales/Disposals	0	-12,172	0	0
Reclassifications	214,565	289,451	0	0
<i>Closing balance accumulated acquisitions</i>	1,929,185	1,820,293	0	0
Opening balance accumulated depreciation	-224,615	-157,230	0	0
Conversion difference	17,293	-9,199	0	0
Amortization for the period	-71,837	-62,366	0	0
Write-downs	0	679	0	0
Sales/Disposals	0	3,501	0	0
Reclassifications	0	0	0	0
<i>Closing balance accumulated depreciation</i>	-279,158	-224,615	0	0
<b>Closing balance</b>	<b>1,650,027</b>	<b>1,595,679</b>	<b>0</b>	<b>0</b>

## Solar PV installations under construction

	Group		Parent company	
	2023	2022	2023	2022
Opening balance accumulated acquisitions	126,567	69,836	0	0
Conversion difference	-21,361	4,080	0	0
Investments for the period	246,163	355,571	0	0
Sales/disposals	0	-13,470	0	0
Reclassifications	-214,565	-289,451	0	0
<i>Closing balance accumulated acquisitions</i>	136,803	126,567	0	0
Opening balance accumulated write-downs	-666	-629	0	0
Conversion difference	0	-37	0	0
Write-downs for the period	0	0	0	0
<i>Closing balance accumulated depreciation</i>	-666	-666	0	0
<b>Closing balance</b>	<b>136,137</b>	<b>125,901</b>	<b>0</b>	<b>0</b>

## Total tangible fixed assets

	Group		Parent company	
	2023	2022	2023	2022
Opening balance accumulated acquisitions	1,954,292	1,535,246	58	23
Conversion difference	-129,055	89,866	0	0
Investments for the period	248,303	359,202	25	35
Write-downs	0	-4,379	0	0
Sales/disposals	-257	-25,642	0	0
Reclassifications	0	0	0	0
<i>Closing balance accumulated acquisitions</i>	2,073,284	1,954,292	83	58
Opening balance accumulated depreciation	-229,313	-160,821	-10	-5
Conversion difference	17,613	-9,409	0	0
Depreciation for the period	-72,862	-63,264	-16	-5
Write-downs	0	679	0	0
Sales/disposals	227	3,501	0	0
Reclassifications	0	0	0	0
<i>Closing balance accumulated depreciation</i>	-284,334	-229,313	-26	-10
Opening balance accumulated write-downs	-666	-629	0	0
Conversion difference	0	-37	0	0
Write-downs for the period	0	0	0	0
<i>Closing balance accumulated write-downs</i>	-666	-666	0	0
<b>Closing balance</b>	<b>1,788,284</b>	<b>1,724,313</b>	<b>57</b>	<b>48</b>



## Note 11. Financial assets

### Shares in subsidiaries

	Parent company	
	2023	2022
Opening balance accumulated acquisitions	698,410	618,660
Additions	17,379	79,750
Closing balance accumulated acquisitions	715,788	698,410
<b>Closing balance</b>	<b>715,788</b>	<b>698,410</b>
<b>Loans to group companies</b>		
Opening balance	805,306	740,075
Repayments	-801,443	0
Currency gains and losses	38,320	65,231
Closing balance accumulated acquisitions	42,182	805,306
<b>Closing balance</b>	<b>42,182</b>	<b>805,306</b>

### Other long-term receivables

VAT receivables	Group		Parent company	
	2023	2022	2023	2022
Opening balance accumulated acquisitions	42,590	90,297	0	0
Conversion difference	4,116	6,643	0	0
Additions	34,268	44,379	0	0
Settlements	-28,340	-100,725	0	0
Write-off	0	-1,624	0	0
Reclassifications	0	3,621	0	0
Closing balance accumulated acquisitions	52,633	42,590	0	0
<b>Closing balance</b>	<b>52,633</b>	<b>42,590</b>	<b>0</b>	<b>0</b>

The line for reclassification derives from the classification short-term and long-term receivables, respectively.

### Deferred tax assets

	Group		Parent company	
	2023	2022	2023	2022
Opening balance accumulated acquisitions	6,421	1,348	0	0
Conversion difference	-1,030	78	0	0
Additions	12,309	6,756	0	0
Settlements	-226	-412	0	0
Write-off	-580	-1,349	0	0
Closing balance accumulated acquisitions	16,895	6,421	0	0
<b>Closing balance</b>	<b>16,895</b>	<b>6,421</b>	<b>0</b>	<b>0</b>



## Shares in subsidiaries

Company	Company number	Location	Number of shares	Capital share	Vote share	Net result (SEK 000')	Total Equity (SEK 000')
<b>ST-Solar Holding AB</b>	559228-9432	Stockholm	50,000	100%	100%	0	50
<b>Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd.</b>	91330100MA27W37JXD	Hangzhou	400,000,000	100%	100%	-80,993	466,566
Hangzhou Chengrui Power Technology Co., Ltd.	91330110397206436M	HangZhou	125,000,000	100%	100%		
Nanjing Haonan New Energy Engineering Co., Ltd.	91320117MA1NN6TQ9R	NanJing	30,000,000	100%	100%		
Wenzhou Haorui Solar Energy Engineering Co., Ltd.	91330381MA285WTK0A	RuiAn	20,000,000	100%	100%		
Taizhou Changrui New Energy Technology Co., Ltd.	91331001MA2DW43K0A	TaiZhou	10,000,000	100%	100%		
Hangzhou Changxu New Energy Engineering Co., Ltd.	91330183MA2CGUAG5N	HangZhou	10,000,000	100%	100%		
Suzhou Changhe New Energy Co., Ltd.	91341300MA2TD2CW1X	AnHui SuZhou	10,000,000	100%	100%		
Suzhou Changyu New Energy Engineering Co., Ltd.	91320581MA1XKLT8P	SuZhou	10,000,000	100%	100%		
Jingjiang Haojing New Energy Engineering Co., Ltd.	91321282MA1X8EQ81A	JingJiang	10,000,000	100%	100%		
Suqian Haoyang Solar Energy Engineering Co., Ltd.	91321393MA1TE0Q31R	SuQian	10,000,000	100%	100%		
Ningbo Haowan New Energy Engineering Co., Ltd.	91330201MA2AFUL23A	NingBo	10,000,000	100%	100%		
Nantong Haoru Solar Energy Engineering Co., Ltd.	91320682MA1T9K3R9R	RuBu	10,000,000	100%	100%		
Shaoxing Haosheng New Energy Engineering Co., Ltd.	91330683MA29CAMG24	ShengZhou	10,000,000	100%	100%		
Shanghai Haoqu Solar Engineering Co., Ltd.	91310114MA1GTKM65C	ShangHai	10,000,000	100%	100%		
Ningbo Haoci Solar Energy Engineering Co., Ltd.	91330282MA282LK383	CiXi	10,000,000	100%	100%		
Ningbo Haofeng New Energy Engineering Co., Ltd.	91330283MA282LBX6Q	FengHua	10,000,000	100%	100%		
Huzhou Haohan Solar Energy Engineering Co., Ltd.	91330521MA28CC495J	HuZhou	10,000,000	100%	100%		
Shaoxing Haotian Solar Energy Engineering Co., Ltd.	91330604MA2886KH44	ShaoXing	10,000,000	100%	100%		
Ningbo Haori New Energy Engineering Co., Ltd.	91330212MA281GDMXK	NingBo	10,000,000	100%	100%		
Zhangjiagang Zhihe New Energy Co., Ltd.	91320582MA1UYRH893	ZhangJiaGang	5,000,000	100%	100%		
Nantong Langsheng New Energy Co., Ltd.	91320600MA1NJY1P78	NanTong	5,000,000	100%	100%		
Nanjing Yihui Energy Technology Co., Ltd.	91320117MA1UTL6BXR	NanJing	3,000,000	100%	100%		
Shaoxing Shangyu Hongji New Energy Technology Co., Ltd.	91330604MA288M8H1Q	ShaoXing	1,000,000	100%	100%		
Ningbo Haoyan New Energy Engineering Co., Ltd.	91330226MA2827CW6X	NingHai	1,000,000	100%	100%		
Ningbo Haolong Solar Energy Engineering Co., Ltd.	91330206MA28166D48	MingBo	1,000,000	100%	100%		
Huizhou Zhiyuan New Energy Co., Ltd.	91441322MA513D391X	BoLuo	500,000	100%	100%		
Shanxi Haozhiyan Solar Power Engineering Co., Ltd.	91140522MA0K6WTL1Q	JinCheng	10,000,000	100%	100%		

Company	Company number	Location	Number of shares	Capital share	Vote share	Net result (SEK 000')	Total Equity (SEK 000')
Shanghai Haofu New Energy Technology Co., Ltd.	91310115MA1H9K1X4W	ShangHai	10,000,000	100%	100%		
Shaoxing Changjin Solar Technology Co., Ltd.	91330600MA2889GK1P	ShaoXing	10,000,000	100%	100%		
Shaoxing Dongzhan New Energy Development Co, Ltd.	91330600MA288R6628	ShaoXing	5,000,000	100%	100%		
Shaoxing Shundian New Energy Development Co., Ltd.	913306043440848182	ShaoXing	1,666,667	100%	100%		
Shaoxing Xinkai photovoltaic power Co., Ltd	91330600MA2BDD1E8E	ShaoXing	1,000,000	100%	100%		
Zhejiang Xinrui Power Sales Co., Ltd	91330205MA284DPW6R	NingBo	20,000,000	100%	100%		
Shaoxing Huasheng new energy Co., Ltd	91330683MA2D68410B	ShaoXing	5,000,000	100%	100%		
Huai'an Hongxing New Energy Engineering Co., Ltd	91320829MA1YC6NE2T	HuaiAn	1,000,000	100%	100%		
Huai'an honghang New Energy Engineering Co., Ltd	91320829MA1Y3PKK5D	HuanAi	1,000,000	100%	100%		
Shenzhen Fanzai Longrui Electric Power Co., Ltd	91440300MA5G9MYP09	ShenZhen	1,000,000	70%	70%		
Shaoxing Shangyu Fuhong New Energy Technology Co., Ltd.	91330604MA288MHQ26	ShaoXing	1,000,000	100%	100%		
Fuyang Guoning Photovoltaic Power Generation Co., Ltd	91341204MA2RCDD099	Fuyang	5,000,000	100%	100%		
Fuyang Runquan Electricity Engineering Co., Ltd.	91341200MA2RCB991T	Fuyang	10,000,000	100%	100%		
Zhangzhou Yongxin New Energy Technology Co., Ltd	91350603MA33QFY559	Zhangzhou	5,000,000	100%	100%		
Wuhu Huajin Photovoltaic Power Generation Co., Ltd	91340203MA2UMET19B	Wuhu	5,000,000	100%	100%		
Zhangzhou Huasheng New Energy Technology Co., Ltd	91350603MA2YGJRG39	Zhangzhou	1,000,000	100%	100%		
Bozhou Huabo New Energy Co., Ltd	91341600MA8LA1DU6Q	Haozhou	5,000,000	100%	100%		
Anhui Sila New Energy Technology Co., Ltd	91341700MA2WLU508K	Wuhu	5,000,000	100%	100%		
Qingyuan Haoyuan Power Technology Co., Ltd	91441827MA573QC79F	Qingyuan	3,000,000	100%	100%		
Yingtian Cairn New Energy Co., Ltd	91360681MA39T63T1A	Yingtian	5,000,000	100%	100%		
Longyan Longsheng New Energy Technology Co., Ltd	91350800MA2YYGCP1D	Longyan	1,000,000	100%	100%		
Hefei Chishi New Energy Co., Ltd	91340123MA8NAP9U8G	Hefei	5,000,000	100%	100%		
Hangzhou Xuxu New Energy Technology Co., Ltd	91330100MA7C2U1J51	Hanzghou	1,000,000	100%	100%		
Huaibei Steno New Energy Co., Ltd	91340621MA8N0J944P	Chuzhou	1,000,000	100%	100%		
Quanjiao Zhuoran New Energy Co., Ltd	91341124MA8NC73U1F	Huaibei	5,000,000	100%	100%		
Wuhu Bofeng New Energy Co., Ltd	91340208MA2WMBXN84	Wuhu	5,000,000	100%	100%		
Wenzhou Haoming Solar Energy Co., Ltd	91330302MABNL2WJ71	Wenzhou	500,000	100%	100%		

Company	Company number	Location	Number of shares	Capital share	Vote share	Net result (SEK 000')	Total Equity (SEK 000')
Xiangyang Youyi Photovoltaic Power Generation Co., Ltd	91420600MA4F0WJT3W	Xiangyang	600,000	100%	100%		
Chuzhou Xinkai Photovoltaic Power Generation Co., Ltd	91341171MA8PN6M9XL	Chuzhou	5,000,000	100%	100%		
<b>Longrui Solar Energy (Suqian) Co. Ltd</b>	91321300MAIYCBR74G	SuQian	240,000,000	100%	100%	-13,734	117,709
Hebei Haoji New Energy Technology Co., Ltd.	91130104MA0CLO9MX5	ShiJiaZhuang	5,000,000	100%	100%		
Shanxian hengneng photovoltaic power generation Co., Ltd	91371722MA3T1NCY1N	HeZe	15,000,000	100%	100%		
Wuhu zhongxinhe New Energy Technology Co., Ltd.	91340222MA2W3HHN9B	WuHu	3,000,000	100%	100%		
Tianchang Mingneng Photovoltaic Technology Co., Ltd.	91341181MA2RUC44XG	TianChang	25,000,000	100%	100%		
Wuhu Longyan New Energy Co., Ltd.	91340208MA2WENFM4G	WuHu	5,000,000	100%	100%		
Wuhu County Kaida Photovoltaic Power Co., Ltd.	91340221MA2UP3686R	WuHu	5,000,000	100%	100%		
NanLing County JinKai Photovoltaic Power Co., Ltd.	91340223MA2UP4HL5M	WuHu	5,000,000	100%	100%		
Jingdezhen Jinfei New Energy Co., Ltd.	91360206MA39BAT02M	Jingdezhen	10,000,000	100%	100%		
Wuhu QingCheng New Energy Co., Ltd.	91340207MA2W79T90K	WuHu	5,000,000	100%	100%		
Wuxi Kaiyang New Energy Co., Ltd.	91320205MA22EBC94K	Wuxi	30,000,000	100%	100%		
Suzhou Aorunqi Energy Engineering Co., Ltd	91320581MA1YMA621W	Suzhou	16,880,000	100%	100%		
<b>Suqian Ruiyan New Energy Co., Ltd.</b>	91321300MA27TQH98N	SuQian	3,000,000	100%	100%	-416	32,834
Huoqiu County Yujue New Energy Co., Ltd	91341522MA8PUEQL3N	anhui	2,000,000	100%	100%		
Zhejiang Zhenyang New Energy Development Co., Ltd	91330902MAC964AK8L	zhejiang	10,000,000	100%	100%		

**Note 12. Prepaid expenses and accrued income**

	Group		Parent company	
	2023	2022	2023	2022
Accrued revenue	54,174	25,688	0	0
Prepaid rents	2,123	2,814	164	196
Other prepaid expenses	3,399	2,983	332	520
	<b>59,697</b>	<b>31,484</b>	<b>496</b>	<b>716</b>

Of the accrued revenue, 46.2 MSEK is related to subsidies from various districts and provinces.

**Note 13. Cash and bank balance**

	Group		Parent company	
	2023	2022	2023	2022
Cash and bank balances	18,860	55,387	13,972	1,235
Bank notes	283	5,407	0	0
	<b>19,143</b>	<b>60,794</b>	<b>13,972</b>	<b>1,235</b>

**Note 14. Accrued expenses and prepaid income**

	Group		Parent company	
	2023	2022	2023	2022
Accrued salaries	3,223	724	2,195	138
Accrued holiday pay debt	1,159	1,086	1,159	1,086
Accrued social security contributions	2,183	1,381	2,183	1,381
Accrued interest	5,282	26,205	1,082	26,205
Capitalized, uninvoiced expenses	44,302	73,664	0	0
Other accrued expenses	6,431	2,101	314	635
	<b>62,581</b>	<b>105,161</b>	<b>6,933</b>	<b>29,446</b>

**Note 15. Long-term liabilities**

	Group		Parent company	
	2023	2022	2023	2022
Leasing	800,041	0	0	0
Other long-term liabilities	0	73,782	0	31,995
<b>Sum long-term liabilities</b>	<b>800 041</b>	<b>73 782</b>	<b>0</b>	<b>31 995</b>
<i>Whereof due later than 1 year and no longer than 5 years</i>	<i>523 916</i>	<i>73 782</i>	<i>0</i>	<i>31 995</i>
<i>Whereof due later than 5 years</i>	<i>276 125</i>	<i>0</i>	<i>0</i>	<i>0</i>

The loans from Soltech Energy Sweden AB and Advanced Solar Power (Hangzhou) Inc., has in 2023 become reclassified as current liabilities.

**Note 16. Bond loans**

Bond loan	ISIN	Currency	Booked value MSEK	Initial issue date	Redemption day	Interest rate	Interest payment periodicity (months)	Secured
SOLT4 (*)	SE0011721380	SEK	70,4	2018-11-10	2024-11-08	10.25%	6	No
			70,4					

(\*) The interest rate for SOLT2 SEK was originally 8.25%. In connection with the extension interest rate increased with 2 percent units, from 2023-11-09.

The company have repaid the bonds SOLT2, SOLT3 and SOLT5 during the year.



## Note 17. Pledged assets

### THE TERMS OF THE “SALE AND LEASEBACK” HAVE THE FOLLOWING PLEDGE.

#### Jiangsu Financial Leasing Corp. Ltd., Haitong UniFortune Financial Leasing (Shanghai) Corporation, and Yongying Financial Leasing Co., Ltd

The company have pledged the shares of ASRE and SQ as well as their subsidiaries (SPV's) and the corresponding account receivables.

#### For own provisions and liabilities

	Group		Parent company	
	2023	2022	2023	2022
Pledged fixed assets and current assets	0	1 596 899	0	0
Pledged accounts receivable	44 636	0	0	0
Loan receivable in subsidiaries	0	0	0	763 000
Pledged shares in subsidiaries	683 024	0	683 024	698 360
	<b>727 660</b>	<b>1 596 899</b>	<b>683 024</b>	<b>1 461 360</b>

### Up to June 2023, when the bond SOLT5 was fully repaid, the below pledge was valid.

The issuer must ensure that all downstream loans that Gigasun provides to the Chinese subsidiaries must always 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.

Intra-group loans from Gigasun to Advanced SolTech Renewable Energy (Hangzhou) Co., Ltd (“ASRE”) and Longrui Solar Energy (Suqian) Co., Ltd (“SQ”) respectively Gigasun 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, Gigasun has charged interest of SEK 32.3 million in respect of the loans.

Gigasun 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, Gigasun has charged interest of SEK 6.7 million regarding the loans.

## Note 18. Liabilities to credit institutions

### Bank loans

Bank	Principal SEK 000'	Interest Rate	Repayment Date
China Zheshang Bank	14,133	3,95%	2024-05-09
China Merchant Bank	16,960	3,95%	2024-08-27
Industrial and Commercial Bank of China	7,067	4,57%	2024-09-10
Bank of China	12,720	4,60%	2024-05-05
	<b>50,879</b>		

These bank loans have previously been extended on an ongoing basis at intervals of six to twelve months, which the company expects to take place in connection with the expiry dates set out below. All loans are unsecured and on short-term basis.

## Sale and leaseback

Leasing company	Principal SEK 000'	Whereof short-term liabilities SEK 000'	Pledged assets, MW	Duration, years	Redemption date	Repurchase option CNY	Interest rate
Jiangsu Financial Leasing Corp. Ltd.	477,116	60,115	159	7	2030-08-01	1,000	6.95%
Jiangsu Financial Leasing Corp. Ltd.	69,229	8,585	28	9	2032-10-01	1,000	6.95%
Jiangsu Financial Leasing Corp. Ltd.	8,227	699	2	8	2031-11-01	1,000	6.95%
Jiangsu Financial Leasing Corp. Ltd.	1,683	165	0	8	2031-11-01	1,000	6.95%
Jiangsu Financial Leasing Corp. Ltd.	6,077	699	3	7	2030-12-08	1,000	6.95%
Jiangsu Financial Leasing Corp. Ltd.	12,437	1,418	3	7	2030-12-25	1,000	6.95%
Jiangsu Financial Leasing Corp. Ltd.	96,821	12,199	36	7	2030-08-01	1,000	6.95%
Jiangsu Financial Leasing Corp. Ltd.	77,399	9,598	28	9	2032-10-01	1,000	6.95%
Jiangsu Financial Leasing Corp. Ltd.	952	116	1	8	2031-11-01	1,000	6.95%
Jiangsu Financial Leasing Corp. Ltd.	1,662	163	0	8	2031-11-01	1,000	6.95%
Haitong UniFortune Financial Leasing (Shanghai) Corporation	26,231	2,450	6	8	2031-10-01	100	6.00%
Haitong UniFortune Financial Leasing (Shanghai) Corporation	25,722	3,289	6	8	2031-09-01	100	6.00%
Haitong UniFortune Financial Leasing (Shanghai) Corporation	50,879	3,098	18	8	2031-11-01	100	6.00%
Yongying Financial Leasing Co., Ltd	33,650	3,312	8	8	2031-11-01	100	6.75%
Yongying Financial Leasing Co., Ltd	19,786	1,921	4	8	2031-12-20	100	6.75%
	<b>907,870</b>	<b>107,829</b>	<b>304</b>				

In 2023, all loans to the leasing companies have been issued. Regarding pledge, see note 17.

## Note 19. Adjustment items cash flow

	Group		Parent company	
	2023	2022	2023	2022
Unrealized exchange rate differences	30,113	6,838	0	0
	<b>30,113</b>	<b>6,838</b>	<b>0</b>	<b>0</b>

## Note 20. Related party transactions

The Group has loan liabilities to its main owner Soltech Energy Sweden AB (publ), for SEK 28 295 thousand, and Advanced Solar Power (Hangzhou) Inc. ("ASP"), for SEK 26 375 thousand. In 2023, the interest rates for the loans were three percent respectively zero percent. Accrued interest expense, per December 31, 2023 amounted to SEK 4 456 thousand respectively SEK 1 536 thousand. The capital debt and accrued interest are in EUR respectively CNY and are as of the closing currency rate on December 31, 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 878 thousand. The transactions have taken place on a market basis. The following related party transactions took place during the financial year.

The nature of the transaction	Counterpart	Group		Parent company	
		2023	2022	2023	2022
Purchase of solar panels	Advanced Solar Power (Hangzhou) Inc.	268,722	350,185	0	0
Purchase of service	Advanced Solar Power (Hangzhou) Inc.	18,508	14,886	0	0
Charged interest	Advanced Solar Power (Hangzhou) Inc.	3,205	1,056	0	0
Rental of office	Advanced Solar Power (Hangzhou) Inc.	48	193	0	0
Charged interest	SolTech Energy Sweden AB (publ)	878	813	878	813
		<b>291,361</b>	<b>367,133</b>	<b>878</b>	<b>813</b>

### Accounts payable other short-term liabilities and accrued expenses

As of September 30, 2023, the Group has outstanding accounts payable to ASP, amounting to SEK 235 million, which constitutes a current credit facility equivalent to an "overdraft facility". Of this SEK 235 million, SEK 68 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 ASP, of SEK 34 million and SEK 44 million, respectively. The company also has a loan to ASP of SEK 28 million, including accrued interest, described above. The original amounts are in CNY, are as of the closing currency rate on December 31, 2023.

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

Gigasun 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, Gigasun has charged interest of SEK 32.3 million in respect of the loans.

Gigasun 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, Gigasun has charged interest of SEK 6.1 million regarding the loans.

## Note 21. Leasing agreements

In the consolidated accounts, the operational leasing consists of everything significantly of roof rent for some of the Group's customer agreements. Maturity is designed with the same length as the customer agreement, 20 years.

	Group		Parent company	
	2023	2022	2023	2022
Due for payment within one year	4,691	4,966	653	597
Due for payment later than one year but within 3 years	9,566	8,834	1,252	0
Due for payment later than 3 years	59,267	67,391	0	0
	<b>73,524</b>	<b>81,191</b>	<b>1,904</b>	<b>597</b>
Agreements expensed during the period	4,270	5,158	889	819

## Note 22. Deferred tax

Temporary differences exist in cases of assets or liabilities reported and tax values are different. Temporary differences exist regarding the following items have resulted in deferred tax assets or tax liabilities. The company Deferred tax, according to the table below, applies only to the Chinese the business.

### Deferred tax assets

	Group		Parent company	
	2023	2022	2023	2022
Losses carried forward	16,379	5,930	0	0
Provision for bad debt	516	491	0	0
<b>Sum of deferred tax assets</b>	<b>16,895</b>	<b>6,422</b>	<b>0</b>	<b>0</b>

### Deferred tax liabilities, reported in the balance sheet

	Group		Parent company	
	2023	2022	2023	2022
Depreciation exceeding plan	3,354	4,771	0	0
Intangible fixed assets	6,189	6,112	0	0
Other	11,566	2,046	0	0
<b>Deferred tax liabilities, reported in the balance sheet</b>	<b>21,109</b>	<b>12,928</b>	<b>0</b>	<b>0</b>

## Note 23. The share

At the end of 2022, the total number of shares outstanding was 39,640,390, with a quota value of SEK 0.20. In 2023, a directed share issue and a repair share issue of 14,103,762 and 3,453,073 respectively new shares took place. For more information, see section "the share and shareholders".

The number of shares	2023	2022
At the beginning of the year	39,640,390	38,747,539
Share issues	17,556,835	892,851
<b>At the end of the year</b>	<b>57,197,225</b>	<b>39,640,390</b>

## Note 24. Earnings per share

### Earnings per share before dilution

	2023	2022
Profit for the period attributable to the parent company's ordinary shares, SEK '000	-76,136	-29,426
Weighted number of outstanding ordinary shares	46,932,241	39,228,686
Earnings per share before dilution, SEK	-1.62	-0.75

### Earnings per share after dilution

	2023	2022
Profit for the period attributable to the parent company's ordinary shares, SEK '000	-76,136	-29,426
Weighted number of outstanding ordinary shares after dilution	48,869,618	41,166,063
Earnings per share after dilution, SEK	-1.62	-0.75

Dilution occurs when earnings per share are negatively affected by outstanding potential ordinary shares. As the Group's result for the year is negative, the estimated dilution effect will be positive for the shareholders. In such a case, the same amount is reported for earnings per share before dilution and after dilution.

### Weighted number of outstanding ordinary shares after dilution

	2023	2022
Weighted number of outstanding ordinary shares before dilution	46,932,241	39,228,686
Effect of outstanding potential shares in the Group's incentive program	1,937,377	1,937,377
Weighted number of outstanding ordinary shares after dilution	48,869,618	41,166,063

## Note 25. Proposal for profit distribution for the parent company

Available at the Annual General Meeting (SEK)

Retained earnings	-67,256,235
Share premium fund	749,866,785
Results for the year	-29,509,122
<b>Total</b>	<b>653,101,428</b>

The Board of Directors proposes that the accumulated profit be treated as follows:

Transferred to a new account SEK 653,101,428.

## Note 26. Significant events after the end of the financial year

- The company has changed name to Gigasun AB (publ).
- The company signed 2 contracts amounting to an installed capacity of 1.7 MW.

# Definitions

## 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 Gigasun'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 Gigasun'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 Gigasun's reliance on electricity sales in relation to other operating income, notably subsidies.

(SEK 000')	2023	2022
Net revenue	178,388	156,972
Total revenue	219,064	203,849
	<b>81%</b>	<b>77%</b>

## 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')	2023	2022
EBIT	72,178	79,428
Total revenue	219,064	203,849
<b>EBIT%</b>	<b>33%</b>	<b>39%</b>

## 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')	2023	2022
EBIT	72,178	79,428
Depreciation, amortization and write-downs	74,567	69,687
<b>EBITDA</b>	<b>146,744</b>	<b>149,115</b>

## 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')	2023	2022
EBITDA	146,744	149,115
Total revenue	219,064	203,849
<b>EBITDA%</b>	<b>67%</b>	<b>73%</b>

## 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')	2023	2022
Total revenue	219 064	203 849
Direct cost	32 632	25 931
<b>Gross margin</b>	<b>186 432</b>	<b>177 918</b>

## 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')	2023	2022
Gross margin	186,432	177,918
Total revenue	219,064	203,849
<b>Gross margin%</b>	<b>85%</b>	<b>87%</b>

## 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 Gigasun can fulfil the commitments under its debt agreements.

(SEK 000')	2023	2022
Interest expenses and similar charges	120,871	134,944
WHT, VAT & other taxes	9,596	12,843
Capitalised borrowing costs	8,989	27,793
<b>Interest expenses</b>	<b>102,286</b>	<b>94,308</b>



### 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 Gigasun's expenses related to borrowings, excluding interest expenses.

(SEK 000')	2023	2022
Interest expenses and similar charges	120,871	134,944
Interest expenses	102,286	94,308
WHT, VAT & other taxes	9,596	12,843
<b>Amortisation of capitalised borrowing costs</b>	<b>8,989</b>	<b>27,793</b>

### 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 Gigasun's gross interest-bearing indebtedness.

(SEK 000')	2023-12-31	2022-12-31
Short-term interest-bearing debt		
- Bank loan in China	50,879	55,563
- Loan Soltech Energy Sweden AB	28,295	0
- Loan Private Investors China	11,416	
- Overdue Accounts Payable Advanced Solar Power (Hangzhou) Inc	67,838	60,068
- JS Leasing	93,758	0
- HT Leasing	8,838	0
- YY Leasing	5,233	
- Bond loans	70,370	971,423
<b>Sum short-term interest-bearing debt</b>	<b>336,628</b>	<b>1,087,054</b>
Long-term interest-bearing debt		
- Loan Soltech Energy Sweden AB	0	28,377
- Loan private investors in China	0	12,130
- JS Leasing	657,844	0
- HT Leasing	93,994	0
- Yongying Leasing	48,203	0
- Bond loans	0	0
<b>Sum long-term interest-bearing debt</b>	<b>800,041</b>	<b>40,507</b>
<b>Sum interest-bearing debt</b>	<b>1,136,669</b>	<b>1,127,561</b>

### NET INTEREST-BEARING DEBT

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

(SEK 000')	2023	2022
Interest-bearing debt	1,136,669	1,127,561
Cash and bank	-19,143	-60,794
	<b>1,117,526</b>	<b>1,066,767</b>

### EQUITY RATIO

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

(SEK 000')	2023	2022
Total equity	569,713	520,910
Total assets	2,033,528	1,973,233
	<b>28%</b>	<b>26%</b>

### 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 Gigasun's financial stability.

(SEK 000')	2023-12-31	2022-12-31
Total equity 2022-03-31	0	510,041
Total equity 2022-06-30	0	577,444
Total equity 2022-09-30	0	617,933
Total equity 2022-12-31	0	520,910
Total equity 2023-03-31	488,685	0
Total equity 2023-06-30	471,536	0
Total equity 2023-09-30	608,919	0
Total equity 2023-12-31	569,713	0
Total assets 2022-03-31	0	1,719,031
Total assets 2022-06-30	0	1,828,884
Total assets 2022-09-30	0	1,972,654
Total assets 2022-12-31	0	1,973,087
Total assets 2023-03-31	1,983,224	0
Total assets 2023-06-30	2,005,599	0
Total assets 2023-09-30	2,020,199	0
Total assets 2023-12-31	2,032,574	0
	<b>27%</b>	<b>30%</b>

**INSTALLED CAPACITY, MW**

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

**ELECTRICITY PRODUCED, KWH MILLIONS**

Electric energy generated by all operational solar energy facilities in Gigasun'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 Gigasun'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 Gigasun's environmental benefits.

**SIGNED AGREEMENTS, MW**

Planned installed capacity of all signed contracts in Gigasun's project pipeline. The measure is used since it helps to assess Gigasun'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 Gigasun's installed solar energy facilities. The measure is used since it helps assess the remaining contract value in Gigasun's portfolio of solar energy facilities.

