



ABSOLICON
S O L A R C O L L E C T O R S

ANNUAL REPORT 2020

Absolicon Solar Collector AB



The Board of Directors and the CEO of Absolicon are hereby authorised to present their report on the company's development during the financial year 2020-01-01 - 2020-12-31.

Key figures 2020

Period 2020-01-01 to 2020-12-31

Net sales amounted to: SEK 1,989,000 (1,958,000)

Operating profit (EBIT) amounted to SEK -23,251,000 (-18,846,000)

Earnings per share amounted to SEK -11.61 (-12.46)

Earnings per share are calculated as net profit divided by 1,998,650 (1 382 300) shares outstanding.

Cover image:

Absolicon's Sales Manager Carlo Semeraro and CEO Joakim Byström in discussion with Production Manager Krzysztof Adamczyk. Photo: Tarek Suleiman



Joakim Byström, CEO
Absolicon Solar Collector AB

ANNUAL REPORT 2020

The market has responded well to the accelerated sales drive that has been the focus of the year, both to sign framework agreements and to introduce solar collector fields.

By the end of the year, Absolicon had grown from two to ten framework agreements signed in different countries. In addition, the two companies that were the first to sign framework agreements just over a year ago, Greenline Africa in South Africa and Aryia in Kenya, have both gone ahead and ordered pilot plants. In South Africa, a pilot for the world's largest brewing group AB InBev and in Kenya, a pilot for IberAfrica.

In the case of solar collector fields, from just a handful of contacts last year, we are now in dialogue with more than 20 of the world's largest companies. Multinational companies have made ambitious commitments to reduce their fossil fuel consumption and they are very interested in Absolicon's offer to reduce their energy costs at the same time.

Concrete orders received during the year were for the world's largest desalination company SWCC, the Swedish pavilion at the Dubai World Expo and an extension of a previously delivered solar collector field for a multinational company in Greece. In addition, we are building our own 1.5 MW pilot plant with support from the Swedish Energy Agency - Högsåten 2023 Solar Thermal Park.

Multinationals have long decision-making processes, but once they have made up their minds, they can achieve high volumes in a short time. That's the situation we built our business model for. Through regional production lines, we can quickly supply the factories of multinational companies worldwide with solar heat.

We now cover 4 out of 7 continents with framework agreements. Through our research on the solar collector materials themselves, and with our 57 patent applications filed at the turn of the year, we feel confident that we will maintain our lead for a long time to come.

The marketing initiative is a success and now we are stepping up the pace. We have the right offer and the right channels. We see more factories within the same group making requests. We also see that discussions with a company lead to their competitors in the same industry soon contacting us.

During the year, Absolicon has undergone a rapid digital transformation, integrating Office 365 into the business. Manual routines have been digitised with major efficiency gains. Digital meetings in Teams and Zoom have revolutionised both internal development and sales.

The organisation has evolved. In addition to the CEO and sales manager, a new financial manager position has been central to the digitalisation process, and a technical manager is now responsible for the entire technical staff, including purchasing, production, installation, service and development.

We can look back on a successful year that laid a good foundation for the future. In particular, sales and marketing have found good ways of working and have generated an impressive pipeline of sales, inquiries and partners. We have a clear global strategy for the work.

Looking ahead, we see a world where our solar factories in different countries are rapidly helping cities and industries convert from oil and gas to concentrated solar thermal power.

Management report

About Absolicon

Absolicon is a public Swedish limited liability company with registration number 556929-1957 and Legal Entity Identifier (LEI code) 549300X1GHJNC15G2Q74.

The company is listed on the Spotlight Stock Market under the symbol ABSL. The Board of Directors is based in Härnösand in Västernorrland County.

Mission, vision and business concept

Absolicon's mission is to contribute to the world's energy transition from fossil fuels to renewable energy through our expertise in concentrated solar power, patented technology solutions, certified solar collectors and robotic production lines.

The vision is that Absolicon's solar collector technology, in combination with other renewable energy sources, will out-compete fossil fuels. Absolicon aspires to become a multi-billion dollar company and to eventually have our mass-produced solar collectors in every country on earth.

Business concept

Absolicon's business concept is to sell solar collector systems and robotic production lines for the mass production of concentrating solar collectors and to supply the critical inputs needed for production.

Business model

The purchaser of the production line will become a supplier of solar collector fields in its regional market and will be supported by Absolicon with inputs for production, marketing and sales, as well as with solutions for the integration of solar collectors into industrial processes. As a licensee, the customer also gets access to Absolicon's research and development to further increase the efficiency of the solar collectors and reduce costs.

Absolicon also has sales of solar collectors from Absolicon's Swedish production line for special projects.

Revenue model

The business strategy aims to maximise revenue from Absolicon's intangible assets and expertise by focusing on four revenue streams:

- Sale of production lines
- Licensing revenue
- Sales of input goods
- Sales of solar collector systems

Absolicon's products are CE marked and the T160 solar collector is the first parabolic trough in commercial production to be certified under the SOLAR KEYMARK.



Loick Bruand, service technician at Absolicon, at one of the installations in Härnösand. Photo: Tarek Suleiman

MARKET

The IEA reports in "World Energy Investment 2018" that USD 700 billion is invested annually in new oil and gas exploration and extraction. The transition from fossil fuels to renewable energy will also mean major changes in financial flows. Absolicon has estimated that USD 1 trillion needs to be invested in solar thermal by 2050. Countries and governments control much of the investment in the energy sector.

Indicative offers from EKN and SEK

When companies make large export deals, it is possible to seek help with financing. The Swedish Export Credit Agency (EKN) is a Swedish authority that guarantees export transactions for Swedish companies around the world every year. Swedish Export Credit Corporation (SEK) is the Swedish government's bank for financing Swedish companies' export transactions. Absolicon is discussing with EKN and SEK how their various tools can be used to finance solar heating.

The government has already decided on a ban on Swedish export financing for the extraction and exploration of fossil fuels after 2022. The EKN has proposed to completely adjust Swedish export credits to meet the targets of the Paris Agreement.

Solar heating and other renewable energy already have extra favourable rules with guarantees for up to 18 years, and Absolicon has received indicative offers from the EKN.

SEK could provide a loan to a multinational group that wants to switch from fossil fuels to solar heating. The money can finance a turnkey installation from Absolicon or materials supplied via a local partner.

Positive environmental factors for a green transition

After the election of Joe Biden as President of the United States, the world's climate work is expected to gain new momentum. The US is the world's largest economy and former President Barack Obama was one of the driving forces behind the Paris Agreement.

Europe's work on the green taxonomy, which gives banks and companies clear guidelines on what are sustainable and non-sustainable assets, will also significantly impact investment.

Increased interest in solar heating in the Swedish energy system

The government has commissioned the Swedish Energy Agency to investigate the role that solar thermal energy can play in the energy system of the future. At the same time, Absolicon is working with two industry associations to develop proposals that will give large-scale solar heating a breakthrough in Sweden.



*Benjamin Ahlgren, Project Manager, for Högs slätten Solar Thermal Park 2023, at the installation of phase 1 in Härnösand.
Photo: Tarek Suleiman*

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Several pilot installations have been ordered, and the construction of Sweden's largest solar heating park with concentrating solar collectors has begun.

Ariya Finergy embarks on the first part of the framework agreement

In December 2020, the Kenyan company Ariya Finergy has tendered the first part of the framework agreement for a robotic production line in Kenya – a pilot plant to be built at Iberafrica Power (E.A.) Limited.

Ariya Finergy is a leader in Kenya in sustainable energy supply to commercial and industrial customers. Ariya also works with innovative financing solutions. Ariya has been working with industrial clients in Kenya for the past four years and has the capacity to both design and finance concentrating solar power installations.

Iberafrica Power (E.A.) Limited, one of Kenya's leading independent power producers (IPPs) with a capacity of 52.5 MW, was recently acquired by AP Moller Capital as an effective platform to further invest in the construction of new power plants and in existing energy infrastructure in Kenya.

Installation of Sweden's largest concentrating solar thermal farm has begun

The groundbreaking ceremony for Sweden's largest concentrating solar thermal field took place on 28 October 2020 together with Sweden's Minister of

Energy, Anders Ygeman and the Director General of the Swedish Energy Agency, Robert Andrén.

In May 2020, the Swedish Energy Agency granted SEK 8 million in co-financing to Absolicon's demonstration plant for large-scale solar heating. The work has since moved quickly. The plant will be Sweden's largest solar thermal plant with concentrating solar collectors and can operate at temperatures up to 160 degrees Celsius.

Högs slätten 2023 Solar Thermal Park will be implemented in two phases. The groundbreaking ceremony in October marks the start of the first phase, which will build around 1,000 m² of solar collectors and a technical building that will be completed in 2021. In addition to district heating production, the field will serve as a demonstration plant for industrial solar heating. The Swedish Society for Nature Conservation has proposed 8 TWh of solar heat in Swedish district heating networks by 2040, which would save 3 million tonnes of biofuel that could then be used for other purposes. The Danish consultancy PlanEnergi has shown that it is profitable to invest in large-scale solar heating in Sweden.

Brewery group AB InBev chooses Absolicon's technology

The world's largest brewery group, AB InBev, will build a solar thermal plant in southern Africa together with Greenline Africa and Absolicon. The long-term goal is to dramatically reduce the Group's carbon emissions.

The announcement that the Absolicon T160 solar collector has been selected came on 14 February after Greenline Africa was invited to present Absolicon's technology to AB InBev's senior management in New York in competition with 1,000 other companies.

The brewery group has around 175,000 employees and over 200 breweries in 50 different countries. Absolicon's technology is now part of AB InBev's initiative 100+ Accelerator, where reducing carbon emissions is one of six identified focus areas.

Absolicon participates in the Swedish pavilion at the Expo 2020 world exhibition in Dubai

Absolicon has been selected as a showcase of innovative Swedish sustainability technology and will participate in the Swedish pavilion at the Expo 2020 world exhibition in Dubai, which has been postponed until 2021. Absolicon will demonstrate its solution in action by providing water and air heating in the Swedish pavilion 'The Forest' for the duration of the exhibition.

World's largest desalination company chooses solar energy

The world's largest desalination company, Saline Water Conversion Corporation (SWCC) in Saudi Arabia, placed an order for a solar collector field from Absolicon in 2020. The purpose is to evaluate Absolicon's patented solar concentrator T160 for seawater desalination.

Today, one billion people live in water-scarce regions, and the world's demand for water is likely to increase in the coming decades. Lack of water is a driving factor in many regional conflicts.

Oversubscribed issue and 650 new owners in Absolicon

Absolicon's rights issue was subscribed to 112% and a liquidity of SEK 52.2 million. 18,000 shares from the company and 18,000 shares from the main shareholders have been distributed without preference for previous owners. The company gained around 650 new owners through the issue.

Other activities

Solar++ becomes Modolar and delivers orders to multinational company in Greece

Absolicon owns 50% of Saravanos Solar++ AB, a unique partnership with a Greek industrial company, specialised in industrial processes. During the year, Absolicon has delivered solar collectors for an extension of an existing installation, an order of EUR 294,000 (approx. SEK 3 million) for solar collectors and complementary process equipment to a large multinational company in Greece.

The cooperation between Absolicon Solar Collector AB and Saravanos Group of Companies was established as Solar++ 2018. Combining the expertise of both companies, the collaboration focused on energy optimisation, energy recovery and the integration of solar energy into industrial processes. Through this cooperation, a new goal was realised. To develop a complete, modular product family to revolutionise the energy chain in the industrial sector through the integration of solar energy, implementation of pinch methodology and efficient energy use and management. With this goal in mind, S++ was developed into Modolar.



*Solar++ has changed its name to Modolar.
Photo: Tarek Suleiman*



In 2020, eight framework agreements were signed for Absolicon's production line. Photo: Tarek Suleiman

COLLABORATIONS & PARTNERS

In 2020, the company made the "Öppna nya marknader" (Open New Markets) initiative, which has been successful. Before the start of 2020, the company had signed a total of two framework agreements, and during the year, an additional eight framework agreements were signed. Inquiries come from all over the world, and especially Spanish-speaking markets are very active.

Framework agreement

A total of eight framework agreements have been signed in 2020.

The framework agreement describes the separate agreements to be drawn up in the process. Absolicon's revenues from sales can be divided into three groups: acquisition of the line, licensing revenues and revenues from material sales. The total sales value covered by each agreement is estimated at SEK 40-50 million plus a monthly license fee of 4% and sales of components.

- Al Homsy has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in the Mediterranean region. The company originated in Syria and works with several large international companies in the region. Among other things, the company has a regional network of contacts for working with large hotels and telecommunications companies.
- Climatenza has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in India. Climatenza has established contacts in the state and the rest of India and has expertise in thermal storage and collaborative research.
- Enercity has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in Ecuador. Enercity is a leading company in Ecuador specialising in energy efficiency and renewable energy sources and is one of the largest importers of solar energy technology in the region.
- Suld has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in Mongolia. Suld has contacts in Mongolia in the mining industry and the company provides energy services to industries and real estate.
- WTR has signed a framework agreement with Absolicon for the acquisition of a production line for

the T160 solar collector in Peru. WTR was formed to commercialise sustainable recycling technologies for the food industry, but the company will now broaden its focus to the solar energy sector.

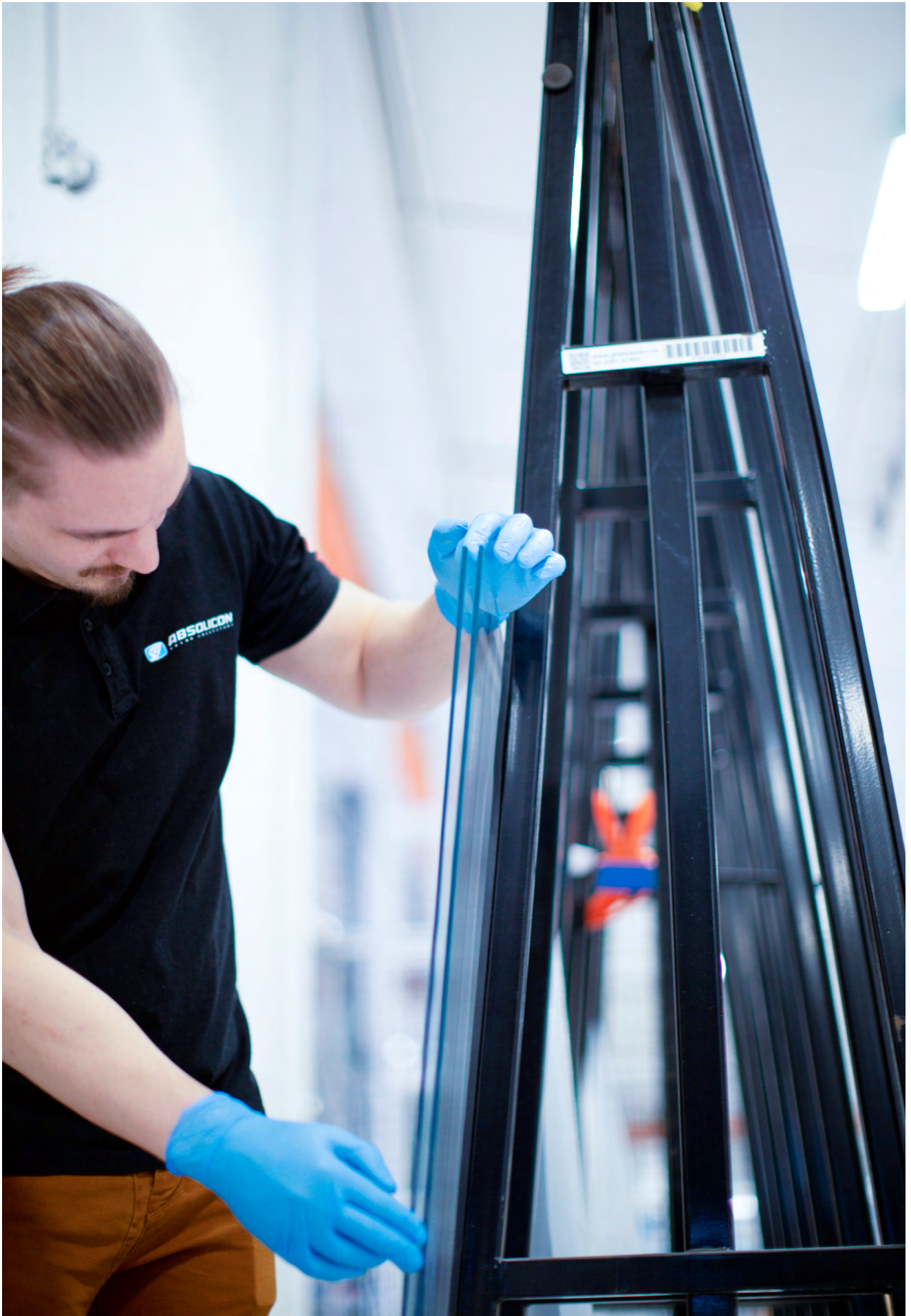
- Pelktec Company Ltd has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in Ghana. Pelktec runs development projects in energy, water, environment and waste management in Ghana.
- Temiz Yaratici Teknolojiler (TYT) has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in Turkey. TYT is a Turkish company that develops renewable technologies.
- Avantiare Construcciones y Medioambiente, S.A. has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in Spain. Avantiare is a construction company based in Seville.

Doubling of design proposals sent from Absolicon

The number of design proposals sent from Absolicon to potential customers doubled in the second half of 2020, compared to the first half. The increase is an effect of the active sales and marketing work that has led to a significant increase in the inflow of inquiries in the second half of 2020.

In addition to the increasing inflow of inquiries, Absolicon's sales team is seeing a steady increase in quality – customers know more and more about what they need to reduce their carbon emissions. Multinational companies dominate in the reception of design proposals and are often further ahead in the conversion process to renewable energy sources.

Absolicon works towards different industries to find suitable end customers for solar heat in industrial processes.



Absolicon is granted additional funding for the development of anti-reflective glass for Absolicon's solar collectors, which will also be sold to other solar energy applications. Photo: Tarek Suleiman

RESEARCH AND DEVELOPMENT

When Absolicon's materials initiative began in 2018 with Umeå University, it was with lofty goals – the project would develop new materials including the world's best reflectors, glass and receiver tubes and then sell these to Absolicon's production line partners. Today, the project is halfway and the results are very good.

Vinnova gives the green light for new glass

An evaluation shows that the properties of Absolicon's new anti-reflective coating in many respects surpass those of the glass available on the market today and meet the objectives set for the new coating.

The results mean that Vinnova and Absolicon will continue with the work. On 13 October 2020, the project was granted an additional SEK 435,000 by Vinnova for the final phase that prepares the new glass to become a production-ready and patented product. The goal is to create the world's best anti-reflective glass that can be used on Absolicon's concentrating solar collectors as well as sold to other solar energy applications. A commercially available glass is 1-2 years away and several hurdles still need to be overcome.

Reflector

A new aluminium reflector has been developed in collaboration with a North American player. The cost of the new reflector is considerably lower than the silver-based reflectors previously used.

In parallel, an alternative silver reflector is also being evaluated. Silver reflectors naturally have better optical properties, but at a higher price. It is currently unclear to what extent the different reflectors will be implemented. However, several good options for such an important component are a great advantage.

The receiver tube – the receiver

Also for the receiver, we mainly work with a proprietary coating. The patented coating has optical properties adapted to temperatures below 160 degrees Celsius and high concentration of sunlight, as in Absolicon's T160. Within the EU project FRIENDSHIP, work continues on a pilot plant for depositing the coating. There the process will be scaled up to tubes and adapted for continuous production.

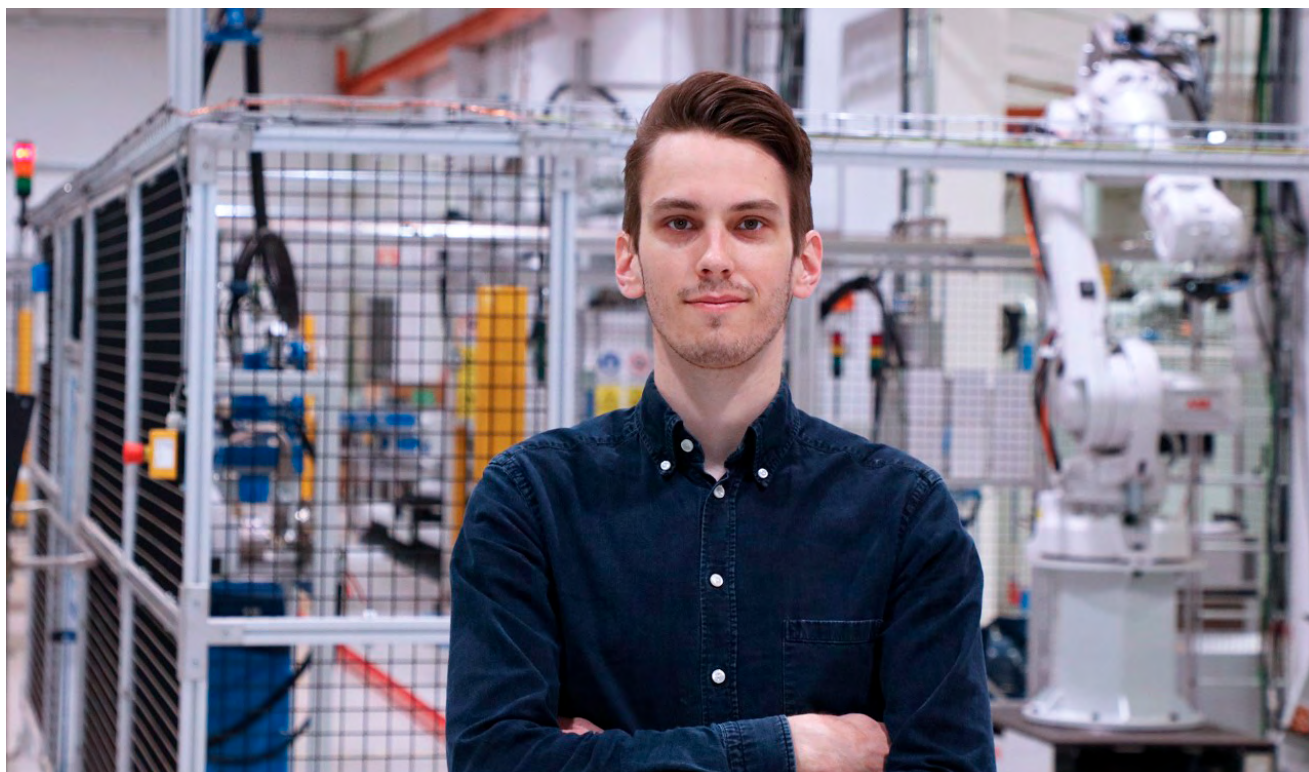
Active research projects

Absolicon runs a number of different research projects that were presented in this year's quarterly reports.

The demonstration project Höglätten 2023 Solar Thermal Park will build Sweden's largest solar thermal plant with concentrating solar collectors.

During the period, the SIKT research project has continued to work on how solar heating can be integrated into different types of industries. In the project "Fältdesign för koncentrerande solfångare" (Field design for concentrating solar collectors), we are working on standardised pipe bridges, among other things.

FRIENDSHIP where Absolicon's share of the project is about SEK 6.5 million. EU funding covers 100% of costs + 25% of overhead costs.



Absolicon is working on a number of new inventions that are planned to be patented in 2021.

INTELLECTUAL PROPERTY

Absolicon strengthens its intellectual property protection. By investing in a strong patent and brand portfolio and adapting it to key markets, the company secures its position, facilitating marketing and sales.

Growing intellectual property portfolio

In 2020, Absolicon has focused on strengthening and extending its intellectual property protection to several countries and pursuing patent applications against granted patents.

Among other things, Absolicon technology has been granted patent protection in Europe and the US during the period. Absolicon now has patent applications pending, or already patented, in six continents.

Absolicon has also registered trademarks in additional markets.

57 patent applications

At year-end, Absolicon has twelve patent families in its intellectual property portfolio. Eight patent families contain patents that have either been granted or deemed patentable by an international patent office (PCT). Four patent families are still pending. In addition, Absolicon has a number of new inventions that are planned to be patented in 2021. In total, Absolicon had 57 filed patent applications belonging to 12 different patent families at the end of the year.

CORPORATE GOVERNANCE REPORT

The basis for the company's corporate governance is primarily the Swedish Companies Act, the Annual Accounts Act, the current Articles of Association, and the commitments entered into by the company through its membership in the Spotlight Stock Market.

The company is working to align its corporate governance with the rules of the Swedish Corporate Governance Code.

Governance takes place through the General Meeting of Shareholders, the Board of Directors and the CEO. The company's auditor, appointed by the Annual General Meeting, examines the annual accounts and consolidated accounts, the Board of Directors' proposal for the appropriation of profits and the management of the company by the Board of Directors and the CEO. The Nomination Committee prepares proposals to the Annual General Meeting for, among other things, the election and remuneration of the Board of Directors and the auditor.

Annual General Meeting

The Annual General Meeting is the company's highest decision-making body. The Annual General Meeting adopts the profit and loss account and balance sheet, the fees and the election of the Board of Directors and the auditor. In addition, other matters to be decided by the Annual General Meeting in accordance with the Companies Act and the Articles of Association are dealt with. The Annual General Meeting was held on 13 May 2020 at Absolicon's premises in Härnösand. The Annual General Meeting unanimously adopted the proposals submitted by the Board and the Nomination Committee.

Nomination Committee

The Annual General Meeting adopted the rules of procedure for the Nomination Committee, which consists of the three largest owners of Absolicon and the Chairman of the Board.

Board of Directors

The Board of Directors is ultimately responsible for the organisation of the company and the management of its affairs.

Information about the business and its economic and financial status is provided regularly at board meetings. The Board also monitors the functioning of internal control.

The division of labour between the Board of Directors, the Chairman of the Board and the CEO is clarified both by the Rules of Procedure of the Board of Directors and by the written instructions to the CEO. These documents are established annually at the Board of Directors' inaugural meeting, which takes place in conjunction with the Annual General Meeting.

Auditor

The Annual General Meeting has appointed KPMG, with Lars Skoglund as lead auditor, as auditor for Absolicon.

In connection with the annual financial statements, a review of the company's internal procedures and control systems is also carried out. The auditors do not have any assignments in the company that affect their independence as auditors of Absolicon. The remuneration of the company's auditors for 2020 and 2019 is stated in the annual report.

Company management

The Board of Directors has delegated operational responsibility for the management of the company and the Group to the CEO of the company.

The CEO manages the business within the framework set by the Board of Directors. Instructions for the division of labour between the Board of Directors and the CEO have been established by the Board of Directors. These are updated and determined every year.

Guidelines for remuneration of senior executives

The 2020 Annual General Meeting decided that remuneration to senior executives will consist of a fixed salary, variable salary, pension benefits and other benefits such as a company car. The remuneration will be market-based and based on competence, performance and area of responsibility.

BOARD OF DIRECTORS' REPORT

The Board of Directors has consisted of Malte Frisk (Chairman), Joakim Byström (CEO), Olle Olsson, Sören Olsson and Peter Johansson. From the staff, Jonatan Mossegård and Anna Borg have been adjuncts to most of the Board meetings. Of the Board members, Peter Johansson and Sören Olsson are independent from major shareholders.

In 2020, the Board of Directors held one inaugural meeting and 11 Board meetings.

Control environment

The formal decision-making process is based on the division of responsibilities between the Board of Directors and the CEO as laid down in the Board of Directors' rules of procedure, CEO instructions and policies. The CEO's delegation of responsibility and authority within the organisation is documented and communicated to each relevant employee. The powers of the company are governed by a set of rules governing authorisation and decision-making.

Risk assessment

Absolicon is continuously assessing the relatively high risks involved in the international contacts and sales that are at the core of Absolicon's business concept and is working to mitigate them. The company has work in progress to improve its internal financial reporting procedures.

Information and communication

The company's information and communication channels are set out in the company's communication policy.

Follow-up

The company's economy, financial situation and strategy are analysed in greater depth four times a year in connection with quarterly reporting. The Board of Directors meets with the auditor at least once a year in connection with the annual financial statements for reporting and submission of the audit report.

FINANCIAL REPORTING

COMMENT ON THE FINANCIAL REPORTING

Principles for the preparation of the report

The financial statements have been prepared in accordance with the same accounting principles as in the company's most recent financial statements, i.e. in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general guidance BFAR 2012:1 Annual Accounts and Consolidated Accounts (K3) with progressive profit recognition on projects.

Comments

Absolicon is a business development company where the negative result reflects the company's aggressive sales activities in several specified areas, long sales processes and long-term investments that have only been activated to a minor extent. In 2020, a new share issue has been carried out.

Subcontracting on assignment is on track and, together with co-funded research and development projects, generates revenues that give the company some sustainability, but development activities are mainly financed by equity.

Like the rest of the world, Absolicon has revised schedules and prioritised activities to meet the changing worldview caused by the pandemic. This has enabled the company to continue its aggressive marketing and development efforts. In order to meet the slightly increased operating costs resulting from these changes, the company has been actively applying for grants and subsidies for targeted activities. The process has been successful and the company leaves 2020 with an operating result slightly better than budgeted.

The company has increased the number of salespeople and technicians beyond plans. The increased cost base means that Absolicon's existing working capital is now sufficient until January 2021 but not for continued operations for 12 months.

Covid-19

The global pandemic has limited Absolicon's opportunities to travel, which has slowed down the installation of solar collectors around the world. Thanks to Absolicon's rapid conversion to teleworking and the thorough digitalisation of various processes, the business itself in Sweden has not been affected. Sales work has changed as physical meetings with associated long trips have been replaced by remote meetings, often with many participants at the customer's premises.

Financial goals

Absolicon will have a turnover of SEK 100 million by 2022. With the framework agreements signed and the marketing activities undertaken by Absolicon, it seems likely that this goal will be achieved or exceeded.

The contribution margin from the sale of the production lines in 2022 is estimated to provide a positive cash flow in the current business model based on current product calculations.

The company should be ready for listing on the Stockholm Stock Exchange (Nasdaq Stockholm) within 3-5 years. Today, Absolicon's shares are traded on the Spotlight Stock Market. Work has begun on the adaptation of financial control and accounting. Prior to the IPO, Absolicon needs to transition from the current accounting model to IFRS..

SHAREHOLDER INFORMATION

RESULTS AND SHARE PERFORMANCE

Sales and results

Net sales in 2020 amounted to SEK 1,989,000 (1,958,000) and the operating result for the full year amounted to SEK - 23,251,000 (-18,846,000)

Earnings per share for 2020 amounted to SEK -11.61 (-12.46). Earnings per share are calculated as profit for the period divided by 1,998,650 (1,503,891) shares outstanding.

Share performance

The shares of Absolicon were listed as ABSL on the Spotlight Stock market on 22 June 2016. In December 2020, Absolicon had more than 4,000 shareholders.

The introductory price on 22 June 2016 was SEK 31.30 (SEK 40 without compensation for new issues) and on 30 December 2020 the price was SEK 121.50.

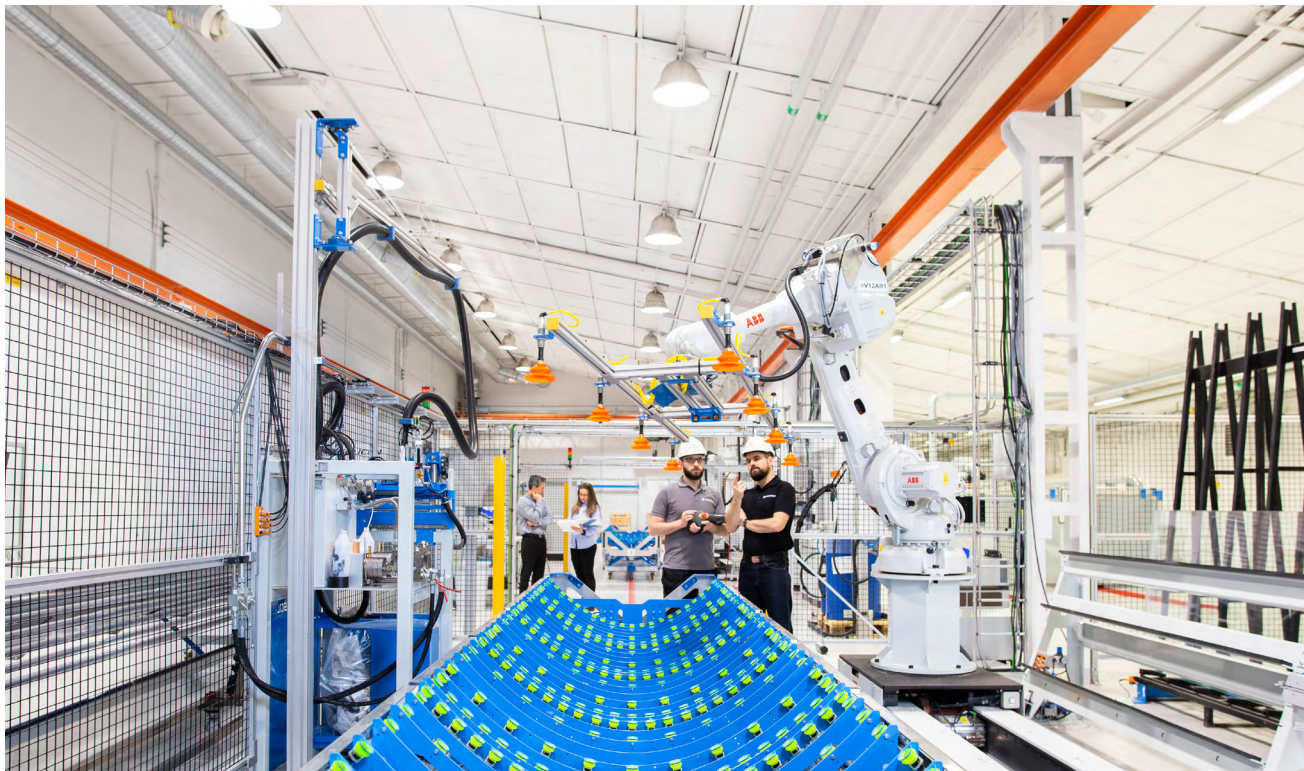
Annual General Meeting

The company's Annual General Meeting will be held on Wednesday, 12 May 2021, at 4:00 pm at the company's premises at Fiskaregatan 11 in Härnösand.

Proposed dividend

The Board of Directors and the CEO propose that no dividend be paid for the financial year 2020-01-01 to 2020-12-31

Top ten owners	Number of shares	Percentage	Comment
ENIARA AB	283 501	14,18	100% owned by Joakim Byström
PRIONO AKTIEBOLAG	158 423	7,93	20% owned by Joakim Byström
FASTIGHETS AKTIEBOLAG PONORD	101 462	5,08	
AVANZA PENSION	73 415	3,67	
NORDNET PENSIONSFÖRSÄKRING AB	67 295	3,37	
EFG BANK/GENEVA,W8IMY	27 781	1,39	
BENGTTSSON, KLAS	25 350	1,27	
TECTUS AB	20 000	1,00	
ERICSSON, KJELL GUSTAV RAGNVALD	12 426	0,62	
WIKSTRÖM, STEFAN	11 377	0,57	
Others	1 217 620	60,92	
Total	1 998 650	100.00	



Absolicon's production line can produce one solar collector every six minutes.

From left in the photo, KC Ching, Bianka Magyari, Ramez Shabani and Krzysztof Adamczyk. Photo: Tarek Suleiman

CERTAIN EVENTS AFTER 2020-12-31

Since the end of 2020, four more framework agreements have been concluded.

Four more framework agreements

At the time of writing, Absolicon has signed 14 framework agreements in as many countries.

- THEnergy has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in Chile. THEnergy is a Chilean energy services company specialising in thermal energy solutions.
- CITRUS has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in Mexico. CITRUS is a company specialised in solar heating for industrial processes (SHIP) and industrial process equipment.
- h2t consultores has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in Uruguay. h2t consultores is an environmental and energy technology consultancy based in Uruguay, focusing on solving technical and management problems in the environmental area, energy efficiency, development of production projects and process optimisation.
- Planet Soar has signed a framework agreement with Absolicon for the acquisition of a production line for the T160 solar collector in France. Planet Soar operates in renewable energy projects and provides financing, development, supply chain and project management solutions.

Multi-year comparison*

Amounts in the Multi-year comparison are shown in SEK thousand

	2020	2019	2018	2017	2016
Net sales	1 989	1 958	26 599	2 110	1 601
Profit/loss after financial items	-23 205	-18 745	-5 178	-10 080	-6 544
Balance sheet total	91 099	52 134	58 633	49 347	10 697
Equity ratio (%)	86	86	86	62	79
Cash liquidity (%)	277	117	271	143	215

*Definitions of key figures, see notes

Changes in equity

	Share capital	Fund for development costs	Share premium account	Balanced result	Profit/loss for the year
Amount at beginning of year	1 503 891	6 989 830	77 219 558	-26 497 205	-14 507 221
New share issue	494 759		51 980 101		
Distribution of profit according to the decision of the Annual General Meeting:				-14 507 221	14 507 221
Change in fund for development costs		1 056 320		-1 056 320	
Profit/loss for the year					-18 587 775
Amount at the closing of the year	1 998 650	8 046 150	129 199 659	-42 060 746	-18 587 775

Allocation of profits

Funds available for disposal	
Share premium account	129 199 659
Balanced result	-42 060 746
Profit/loss for the year	-18 587 775
	<u>68 551 138</u>
The Board proposes that the following be transferred to the new account	<u>68 551 138</u>
	<u>68 551 138</u>

For the company's other results and position, please refer to the following income statements and balanced sheets with accompanying notes.

INCOME STATEMENT		2020-01-01 2020-12-31	2019-01-01 2019-12-31
	Note		
Operating income, etc.			
Net sales		1 989 136	1 957 685
Change in stocks of work in progress, finished goods and work on contract		979 354	1 468 247
Activated own-account work		2 079 317	1 609 424
Other operating income		5 249 481	3 948 434
		<u>10 297 288</u>	<u>8 983 790</u>
Operating expenses			
Raw materials and consumables		-2 805 506	-2 292 080
Other external costs	3	-11 598 023	-10 843 733
Personnel costs	4	-16 034 055	-12 045 580
Depreciation and write-downs of tangible and intangible assets		-2 770 991	-2 508 490
Other operating costs		-339 629	-141 208
		<u>-33 548 204</u>	<u>-27 831 091</u>
Operating profit/loss		-23 250 916	-18 847 301
Profit/loss from financial investments			
Other interest income and similar profit/loss income		146 495	151 524
Interest expense and similar profit/loss income		-100 841	-49 364
		<u>45 654</u>	<u>102 160</u>
Profit/loss after financial items		-23 205 262	-18 745 141
Profit before tax		-23 205 262	-18 745 141
Tax on profit for the year	5	4 617 487	4 237 920
Profit/loss for the year		<u>-18 587 775</u>	<u>-14 507 221</u>

BALANCE SHEET		2020-12-31	2019-12-31
	Note		
ASSETS			
Fixed assets			
Intangible fixed assets			
Internally accumulated intangible assets	6		
fixed assets		3 260 997	4 076 152
Patents and licences	7	517 372	688 349
Projects in progress for intangible assets	8	4 785 183	2 913 678
Total intangible assets		<u>8 563 552</u>	<u>7 678 179</u>
Tangible fixed assets			
Expenditures for improvement on another's property	9	1 293 703	1 372 938
Machinery and other technical equipment	10	5 665 180	6 375 072
Equipment, tools and installations	11	1 679 207	1 781 782
Fixed assets in progress	12	4 543 356	0
Total tangible fixed assets		<u>13 181 446</u>	<u>9 529 792</u>
Financial fixed assets			
Investments in associated companies	13	12 853 449	12 853 449
Other securities held as fixed assets	14	2 000	2 000
Deferred tax asset	15	14 590 843	9 973 356
Total financial fixed assets		<u>27 446 292</u>	<u>22 828 805</u>
Total fixed assets		49 191 290	40 036 776
Current assets			
Inventory, etc.			
Raw materials and consumables		4 647 022	1 754 103
Work in progress		105 066	192 057
Finished products/goods for resale		2 584 483	2 101 765
Total inventory etc.		<u>7 336 571</u>	<u>4 047 925</u>
Current receivables			
Accounts receivable – trade		315 800	26 310
Receivables from associated companies		641 597	241 396
Other receivables		3 678 907	3 577 918
Worked-up not invoiced income		0	584 250
Prepaid expenses and accrued income	16	3 004 600	1 543 752
Total current receivables		<u>7 640 904</u>	<u>5 973 626</u>
Short-term investments			
Other short-term investments		25 056 792	1 044 099
Total short-term investments		<u>25 056 792</u>	<u>1 044 099</u>
Cash and bank balances			
Cash and bank balances		1 873 283	1 031 566
Total cash and bank balances		<u>1 873 283</u>	<u>1 031 566</u>
Total current assets		41 907 550	12 097 216
TOTAL ASSETS		91 098 840	52 133 992

EQUITY AND LIABILITIES

Equity

Restricted equity

Share capital	17	1 998 650	1 503 891
Fund for development costs	18	8 046 150	6 989 830
Total restricted equity		10 044 800	8 493 721

Non-restricted equity

Share premium account		129 199 659	77 219 558
Balanced result		-42 060 746	-26 497 205
Profit/loss for the year		-18 587 775	-14 507 221
Total non-restricted equity		68 551 138	36 215 132

Total equity

	78 595 938	44 708 853
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Non-current liabilities

	19		
Overdraft facility		0	487 545
Debts owed to credit institutions		0	10 608
Other liabilities		0	44 000
Total long-term liabilities		0	542 153

Current liabilities

Debts owed to credit institutions		11 627	32 000
Advance payments from customers		212 293	0
Accounts payable – trade		3 401 333	1 946 481
Liabilities to group- and associated companies and jointly controlled company		0	1 504 788
Liability for current tax		127 299	147 766
Other liabilities		888 716	537 079
Accrued expenses and deferred income	20	7 861 634	2 714 872
Other current liabilities		12 502 902	6 882 986

TOTAL EQUITY AND LIABILITIES

91 098 840	52 133 992
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	2020-12-31	2019-12-31
CASH FLOW STATEMENT		
	Note	
Current operations		
Operating profit after financial items	-23 205 262	-18 745 140
Adjustments for items not included in cash flow	2 770 991	2 539 102
Income tax paid	-20 467	
Cash flow from operating activities before changes in working capital	-20 454 738	-16 206 038
Changes in working capital		
Decrease(+)/increase(-) in inventories	-3 288 646	-575 691
Decrease (+)/increase(-) in account receivables - trade and other assets	-1 667 278	0
Decrease(-)/increase(+) in account payables - trade and other liabilities	7 165 544	-382 359
Cash flow from operating activities	-18 245 118	-17 164 088
Investment activities		
Purchase of intangible assets	-2 075 602	-1 378 386
Purchase of tangible assets	-5 232 416	-172 554
Disposal of tangible assets	0	185 000
Purchase of financial fixed assets	0	-501 000
Cash flow from investing activities	-7 308 018	-1 866 940
Financing activities		
New share issue	52 258 030	9 727 280
Issue costs	-1 287 958	-861 753
Amortisation of long-term loans	-74 981	-124 782
Change in overdraft facility	-487 545	-357 693
Cash flow from financing activities	50 407 546	8 383 052
Change in liquid funds	24 854 410	-10 647 976
Cash and cash equivalents at the beginning of the year	2 075 665	12 723 641
Cash and cash equivalents at the end of the year	26 930 075	2 075 665

NOTES

Note 1 Accounting and valuation principles

The annual report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual accounts and consolidated accounts (K3).

The principles are unchanged compared to the previous year.

Valuation principles

Receivables

Receivables have been valued in the amount with which they are expected to be paid.

Other assets, provisions and liabilities

Other assets, provisions and liabilities have been valued at cost unless otherwise stated below.

Financial instruments

Financial asset and liabilities are accounted for in accordance with the rules in K3 Chapter 11.

Financial instruments are measured at cost. Financial assets are initially valued at acquisition cost, including any transaction costs which are directly attributable to the acquisition of the asset.

Financial instruments recognised in the balance sheet include investments in subsidiaries, trade and other receivables, trade payables and loans payable. Instruments are recognised in the balance sheet when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the right to receive cash flows from the instruments has expired or has been transferred and the entity has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised when the obligations have been settled or otherwise terminated.

Shares in economic associations are initially recorded at cost. In the subsequent financial statements, the shares are valued at cost with an assessment of whether there is a need for impairment. Loans and trade payables are classified as long-term liabilities, except for items due more than 12 months after the balance sheet date, which are classified as current liabilities. These liabilities are measured at amortised cost.

Public contributions

Government grants related to the acquisition of a fixed asset reduce the cost of the asset.

Income tax

The company's tax consists of current tax and deferred tax. Current tax is income tax for the current financial year relating to the taxable profit for the year and the unrecognised portion of income tax for previous financial years. Deferred tax is income tax relating to taxable profit for future periods arising from past transactions or events. A deferred tax liability is recognised for temporary differences. A temporary difference exists when the carrying amount of an asset or liability differs from its tax base. Deferred tax assets for tax loss carry-forwards or other tax credits are recognised to the extent that it is probable that they will be available to meet future taxable profits. The deferred tax liability on untaxed reserves forms part of the untaxed reserves and is therefore not separately disclosed.

Contingent liabilities

Contingent liabilities are guarantees, financial commitments and contingent liabilities that are not recognised in the balance sheet.

Revenue recognition

Income is recognised at the fair value of what has been or will be received. Consequently, the company reports the income at nominal value (invoice amount) if the compensation is received directly upon delivery in cash and cash equivalents. Deduction is made for discounts given.

Service assignments and subcontracts in progress

Service assignments in progress are recognised as revenue as the work is performed and the materials are delivered or consumed.

Fixed-price service assignments are recognised as revenue as work is carried out, so-called successive profit settlement. When the outcome of an assignment can be reliably assessed, the assignment income and related expenses are reported according to the degree of completion of the activities in the agreement on the balance sheet date. When the outcome of an assignment cannot be reliably assessed, revenue is recognised only to the extent that assignment costs have been incurred and are likely to be reimbursed by the customer. When it is probable that the total contract expenses will exceed the total contract income, the expected loss is recognised immediately in the result.

The degree of completion has been calculated as discontinued assignment expenses on the balance sheet date in relation to the total estimated assignment expenses to fulfil the assignment. The difference between reported revenue and invoiced partial cash is reported in the balance sheet. Revenue accrued but not invoiced is recognised as a current receivable in the item Accrued but not invoiced revenue. Revenue invoiced but not yet earned is recognised as a current liability in the item Invoiced but not accrued revenue.

Associated companies

Investments in associates are stated at cost less any impairment losses.

Dividends from investments in associates are recognised as income in the income statement.

Internally generated intangible assets

The activation model is applied in case of capitalising the expenses for development. All expenditure arising during the research phase is expensed as it arises.

All expenditure arising during the development phase is capitalised when the following conditions are met;

- It is technically feasible to finish the intangible asset so that it can be used or sold;
- The company intends to finish the asset and use or sell it
- The company has the conditions to use or sell the goods
- It is likely that the asset will generate future economic benefits
- The development costs can be measured satisfactorily

The acquisition value of internally accumulated assets includes expenses for the acquisition of assets less accumulated depreciation. Directly attributable expenses include material costs and personnel costs in the work of development together with an appropriate share of indirect costs.

Ongoing projects that are not completed assets are reported in the item "projects in progress for intangible assets". When the asset is completed, it is reclassified as "internally accumulated intangible assets" and amortisation begins.

When the company reports expenses for own development work as an asset, the corresponding amount is transferred from non-restricted equity to a fund for development costs.

Intangible fixed assets

Intangible assets are recognised at cost less accumulated depreciation and any impairment losses. Assets are amortised on a straight-line basis over the estimated useful life of the assets. The useful life is reviewed on each balance sheet date. Ongoing projects are not depreciated but are written down annually. The following periods of use apply:

	Useful life
Patent	5
Licenses	5
Internally accumulated assets	5

Tangible fixed assets

Tangible assets are recognised at cost less accumulated depreciation and any impairment losses. In addition to the purchase price, the acquisition cost includes expenditure directly attributable to the acquisition. Subsequent expenditures are only included in the asset or presented as a separate asset when it is probable that future economic benefits associated with the item will accrue to the group and the cost of the same can be reliably measured. All other costs for repairs and maintenance as well as subsequent expenditures are recognised in the income statement in the period in which they are incurred.

Assets are amortised on a straight-line basis over the asset's estimated useful life, except land that is not amortised. The following periods of use apply:

	Useful life
Vehicles	5
Machinery and other technical equipment	10
Equipment, tools and machines	2-5
Expenditures for improvement on another's property	20

Leasing

All leases are accounted for as operating leases. Operating leases are expensed on a straight-line basis over the lease term.

Inventories

Inventories are valued at the lower of calculated first-in-first-out, and net realisable value. The net sales value has been calculated at the sales value after deduction of the estimated sales cost, with which obsolescence has been taken into account.

The acquisition value for self-manufactured semi-finished and finished products consists of both direct manufacturing costs and a reasonable share of indirect manufacturing costs.

Employee benefits

Employee benefits consist of salaries, employer's contributions, holiday pay, paid sick leave, medical care and contractual insurance costs. Compensation is recognised as an expense and a liability when there is a legal or constructive obligation to pay compensation.

All pension plans are defined contribution plans and are expensed on an ongoing basis. The company pays set fees to another company and has no legal or informal obligation to pay anything further, even if the other company cannot fulfil its commitment.

Impairments

When there is an indication that the value of an asset has decreased, an impairment test is carried out. If the asset has a recoverable amount that is lower than the carrying amount, it is written down to the recoverable amount. When assessing impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash generating units). Assets previously written down are assessed as to whether a reversal should be made on each balance sheet date.

Provisions

As a provision, the company has reported such obligations (legal or informal) to third parties that are attributable to an event that occurred during the financial year or previous financial year and where it is probable that an outflow of resources will be required to settle the obligation and that a reliable estimate of the amount could have been made.

A provision is reviewed at each balance sheet date and adjusted to reflect the best estimate of the amount required to settle the existing obligation at 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 current value of those payments.

Note 2 Estimates and assessments

The company management makes estimates and assumptions about the future. These estimates will rarely correspond to the actual outcome. The estimates and assumptions that may lead to the risk of significant adjustments in the reported values of assets and liabilities are primarily the valuation of capitalised development costs.

INFORMATION ON INDIVIDUAL ITEMS

Note 3 Remuneration to auditors

	2020	2019
Audit services	162 500	117 500
Audit activities other than audit assignments	63 250	37 350
	<u>225 750</u>	<u>154 850</u>

Note 4 Personal

	2020	2019
<i>Average number of employees</i>		
The average number of employees is based on hours of presence paid by the company related to normal working hours.		
Average number of employees has been	22,00	18,50
of which women	4,00	2,00
of which men	18,00	16,50
<i>Salaries and other allowances</i>		
Board of Directors, CEO and corresponding officers	1 240 570	1 232 463
Other personnel	10 166 639	7 032 078
	<u>11 407 209</u>	<u>8 264 541</u>
<i>Employer's contributions and pension costs</i>		
Employer's contributions	4 031 952	3 531 724
(Of which pension costs for Board of Directors and CEO)	132 564	135 483
	<u>4 031 952</u>	<u>3 531 724</u>
Total salaries, other remuneration, employer's contributions and pensions	<u>14 879 188</u>	<u>11 796 265</u>
<i>Remuneration of the Board of Directors and the CEO is distributed as follows</i>		
Joakim Byström	671 000	642 008
Olle Olsson	329 570	410 152
Sören Olsson	80 000	60 000
Peter Johansson	80 000	60 000
Malte Frisk	80 000	60 303
	<u>1 240 570</u>	<u>1 232 463</u>

Note 5 Income tax	2020	2019
The tax cost consists mainly of the following elements:		
Reported tax in the income statement	-4 617 487	-4 237 920
Change in deferred taxes in temporary differences		
Total reported tax	-4 617 487	-4 237 920
Effective tax rate (%)	0	0
	20	23
Reconciliation of effective tax		
Profit before tax	-23 205 262	-18 745 141
Tax expense 20.60% (21.40%)	-4 780 284	-4 011 460
Tax effect of:		
Non-deductible costs	29 362	73 325
Non-taxable income	0	-70 642
Tax adjustments	25 918	0
Issue costs were reported directly against equity	-265 319	-184 415
Revaluation of deferred tax asset on losses due to change in tax rate	372 836	-44 728
Total	-4 617 487	-4 237 920

Note 6 Internally accumulated intangible assets	2020-12-31	2019-12-31
Inbound acquisition value	5 045 233	591 282
Purchases	0	4 453 951
Reclassifications	204 097	0
Outgoing accumulated acquisition values	5 249 330	5 045 233
Comprehensive depreciation	-969 081	-182 733
This year's depreciation	-1 019 252	-786 348
Outgoing accumulated depreciation	-1 988 333	-969 081
Outgoing value	3 260 997	4 076 152

The acquisition value has been reduced by public grants from the County Council by SEK 610,554.

Note 7 Patents and licences	2020-12-31	2019-12-31
Inbound acquisition value	879 886	110 120
Purchases	0	769 766
Outgoing accumulated acquisition values	879 886	879 886
Comprehensive depreciation	-191 537	-59 048
This year's depreciation	-170 977	-132 489
Outgoing accumulated depreciation	-362 514	-191 537
Outgoing value	517 372	688 349

The acquisition value has been reduced by public grants from the County Council by SEK 36,480, which has been deducted from the acquisition cost.

Note 8 Projects in progress for intangible assets	2020-12-31	2019-12-31
Inbound acquisition value	2 913 678	6 760 009
Purchases	2 075 602	1 377 386
Reclassifications	-204 097	-5 223 717
Outgoing accumulated acquisition values	<u>4 785 183</u>	<u>2 913 678</u>
Outgoing value	4 785 183	2 913 678

Note 9 Improvement leasehold	2020-12-31	2019-12-31
Inbound acquisition value	1 625 726	1 581 393
Purchases	122 864	44 333
Outgoing accumulated acquisition values	<u>1 748 590</u>	<u>1 625 726</u>
Comprehensive depreciation	-252 788	-62 062
This year's deprecia	-202 099	-190 726
Outgoing accumulated deprec	<u>-454 887</u>	<u>-252 788</u>
Outgoing value	1 293 703	1 372 938

The acquisition value has been reduced by public grants from the County Administrative Board by SEK 31,684 and from the County Council by SEK 96,126.

Note 10 Machinery and other technical equipment	2020-12-31	2019-12-31
Inbound acquisition value	7 116 360	7 116 360
Outgoing accumulated acquisition values	<u>7 116 360</u>	<u>7 116 360</u>
Comprehensive depreciation	-741 288	-29 652
This year's depreciation	-709 892	-711 636
Outgoing accumulated depreciation	<u>-1 451 180</u>	<u>-741 288</u>
Outgoing value	5 665 180	6 375 072

The acquisition value has been reduced by public grants from the County Council by SEK 1,388,399.

Note 11 Fixtures, tools and installations	2020-12-31	2019-12-31
Inbound acquisition value	4 738 443	4 579 573
Purchases	566 196	420 686
Sales/disposals	0	-261 816
Outgoing accumulated acquisition values	<u>5 304 639</u>	<u>4 738 443</u>
Comprehensive depreciation	-2 956 661	-2 322 792
Sales/disposals	0	53 422
This year's depreciation	-668 771	-687 291
Outgoing accumulated depreciation	<u>-3 625 432</u>	<u>-2 956 661</u>
Outgoing value	1 679 207	1 781 782

The acquisition value has been reduced by public grants from the County Administrative Board by SEK 179,741, from the Swedish Energy Agency by SEK 186,000 and from the County Council by SEK 78,792.

Note 12 Fixed assets in progress	2020-12-31	2019-12-31
Inbound acquisition value	0	292 465
Purchases	4 543 356	14 183
Reclassifications	0	-306 648
Outgoing accumulated acquisition values	4 543 356	0
Outgoing value	4 543 356	0

Note 13 Shares in group- and associated companies and jointly controlled companies	2020-12-31	2019-12-31
Company	Amount/	Reported
Registration number	Share %	value
Location		
Modolar AB(tidigare Saravanos Solar++ AB)	25 000	12 853 449
559058-4727	50,00%	12 853 449
	12 853 449	12 853 449
Inbound acquisition value	12 853 449	11 348 661
Purchases	0	1 504 788
Outgoing accumulated acquisition values	12 853 449	12 853 449
Outgoing value	12 853 449	12 853 449

Note 14 Other securities held as fixed assets	2020-12-31	2019-12-31
Inbound acquisition value	2 000	2 000
Outgoing accumulated acquisition value	2 000	2 000
Outgoing value	2 000	2 000

Refers to share in the economic association Höga Kusten Industrigrupp

Note 15 Deferred tax	2020-12-31	2019-12-31
Deferred tax assets relating to los carryforwards	14 590 843	9 973 356
Accumulated deferred tax values	14 590 843	9 973 356

Note 16 Prepayments and accrued income	2020-12-31	2019-12-31
Prepaid rental costs	467 829	149 431
Other prepayments	238 015	192 551
Accrued grants County Council	10 336	1 099 278
Accrued grants Nopef	69 037	26 470
Other accrued grants	2 170 846	0
Other accrued income	48 537	76 022
	3 004 600	1 543 752

Note 17 Information on share capital

Value at the beginning of the year	1 503 891	1 382 300
Value at the end of the year	1 998 650	1 503 891

Note 18 Fund for development costs**2020-12-31****2019-12-31**

Amount at beginning of year	6 989 830	6 690 668
Provision for the year	2 075 571	299 162
Depreciation for the year	-1 019 251	0
Amount at the closing of the year	8 046 150	6 989 830

Note 19 Non-current liabilities**2020-12-31****2019-12-31**

Other liabilities to credit institutions	0	0
Due within 1-5 years	0	9 632
Other liabilities	0	0
Due within 1-5 years	0	44 000
	0	53 632

Note 20 Accrued expenses and prepaid income**2020-12-31****2019-12-31**

Accrued personnel cos	1 806 374	1 169 951
Accrued interest cos	0	0
Unused grant revenue received	5 655 510	1 052 364
Other accrued expe	399 750	492 557
	7 861 634	2 714 872

Note 21 Contingent liabilities

Contingent liabilities	18 343 821	9 879 257
	18 343 821	9 879 257

Conditional repayment obligation for government grants.

Note 22 Pledged assets**2020-12-31****2019-12-31**

Floating charges	2 000 000	2 050 000
Machinery/inventory subject to reservation of title	78 627	102 117
Total pledged assets	2 078 627	2 152 117

Note 23 Major events after the end of the financial year

Since the end of 2020, four more framework agreements have been concluded.

Note 24 Definition of key figures

Equity ratio

Adjusted equity as a percentage of total assets

Cash liquidity

Current assets excl. inventories as a percentage
of current liabilities

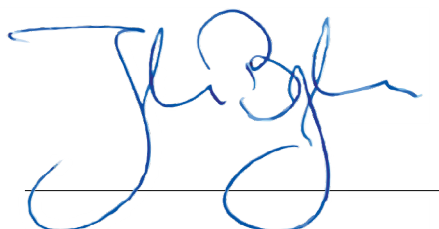
Signatures of the Board of Directors and the CEO

The Board of Directors and CEO assure that the annual report has been prepared in accordance with good accounting practices in Sweden. The annual report gives a true and fair view of the company's financial position result and performance.

The company's annual report, as stated above, has been approved for issuance by the Board of Directors on 21 April 2021.

The income statement and balance sheet will be presented for adoption by the Annual General Meeting on 12 May 2021.

Härnösand 21 April 2021



Joakim Byström
Board member and CEO



Malte Frisk
Chairman of the Board



Peter Johansson
Board member



Olle Olsson
Board member



Sören Olsson
Board member



Lars Skoglund
Principal Authorised Public Accountant



ABSOLICON
S O L A R C O L L E C T O R S

Annual accounts and reports can be ordered from:

Absolicon Solar Collector AB,

Fiskaregatan 11, 871 31 Härnösand.

Tel. 0611-55 70 00 or downloaded from the company's website, www.absolicon.com



Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the CEO of Absolicon Solar Collector AB (publ) for the financial year 2020 and the proposed appropriations of the company's profit or loss. We recommend to the Annual General Meeting that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent in relation to Absolicon Solar Collector AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the organisation of the company and the administration of the company's affairs. This includes, among other things, continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed, so the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The CEO must manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with laws and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

— has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

— in any other way has acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposal for the appropriation of the company's profit or loss, we have examined whether the proposal is in accordance with the Swedish Companies Act.

Härnösand, 21 April 2021

KPMG AB

Lars Skoglund

Auktoriserad revisor



Audit Report

To the general meeting of the shareholders of Absolicon Solar Collector AB (publ), corp. id 556929-1957

Report on the annual accounts

Opinions

We have audited the annual accounts of Absolicon Solar Collector AB (publ) for the financial year 2020. The annual accounts of the company are included on pages 4-34 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the Absolicon Solar Collector AB (publ) as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent in relation to Absolicon Solar Collector AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts the Board of Directors and the CEO are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement due to irregularities is higher than for a material misstatement due to error, as irregularities may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.

- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.