



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

ANNUAL REPORT 2021

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 2021-01-01 - 2021-12-31.

Key figures 2021

Period 2021-01-01 to 2021-12-31

- Net sales amounted to: SEK 2,727,000 (1,989,000)
- Operating profit (EBIT) amounted to: SEK -43,478,000 (-23,251,000)
- Earnings per share amounted to: SEK -20.48 (-11.61)

Earnings per share: profit before tax for the period divided by 2,467,794 (1,998,650) shares outstanding.

Cover image:

In 2021, Absolicon signed decisive letters of intent for pilots with several multinational companies. Photo: ABB



Joakim Bystrom, CEO
Absolicon Solar Collector AB

ANNUAL REPORT 2021

Solar heating helps cities and industries through the crises.

It is with dismay that we watch the war in Ukraine unfold. When we should be focusing on the climate crisis, we are faced with war and devastation that threatens the entire world order.

In a short time, the entire political and economic order of our continent has changed because of the war in Ukraine. Horrific images reach us of cities crumbling and innocent people being killed.

The world is trying to bring Russia to its senses with massive sanctions and we in Sweden are preparing to receive 200,000 refugees from the war. For Absolicon as a company, this means that we need to help cities and industries in Europe deal with three crises at once:

- Political crisis: reducing dependence on Russian gas
- Economic crisis: dramatic increase in fossil fuel prices
- Climate crisis: halving carbon emissions by 2030

Absolicon has responded by changing our strategy to focus more on Europe, and together with our trade association Solar Heat Europe, we have developed a plan to phase out the use of gas for process heat and district heating networks.

In parallel, we continue to work according to plan. We are proud to have signed letters of intent with five of the world's largest companies who have accepted our technology to produce solar steam for their industrial processes. It changes everything!

Read this year's edition of Absolicon Magazine about how Michael Beck at the world's largest brewing company, AB InBev, views the cooperation with Absolicon. A key to the collaboration is that Absolicon has shown that concentrated solar thermal power will be cheaper for them than continuing to burn fossil fuels.

These five pilot installations will be crucial for the transition away from fossil fuels. When the world's biggest company turns to solar heating instead of burning, the world will never be the same again.

As Absolicon's local robotic lines mass-produce concentrating solar collectors for large-scale corporate conversion, small industry, agriculture and hospitals will also have access to low-cost solar collectors. Increased sales mean even lower prices. The avalanche effect is changing the world's energy supply.

To meet the delivery requirements, Absolicon has quickly recruited more employees, and we are now over 40 sales people, technicians and engineers. It's still tumultuous and Absolicon is being fundamentally transformed.

Several of our partners are about to order Absolicon's robotic production line to start mass production of solar collectors in different markets. The strategy that Absolicon first described and then reported in quarterly report after quarterly report with product development, partnerships and targeted marketing is working.

Now we're going to gear up even further and become the world's leading industrial solar heating company with the capacity to help industries and entire cities break free from fossil fuel dependency. The five letters of intent signed are the result of many years of focused work. I would like to thank the whole team in and around Absolicon for this effort

Management Report

About Absolicon

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

The company is listed on the Spotlight Stock Market Next under the symbol ABSL. The registered office of the Board of Directors is 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 multibillion-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.

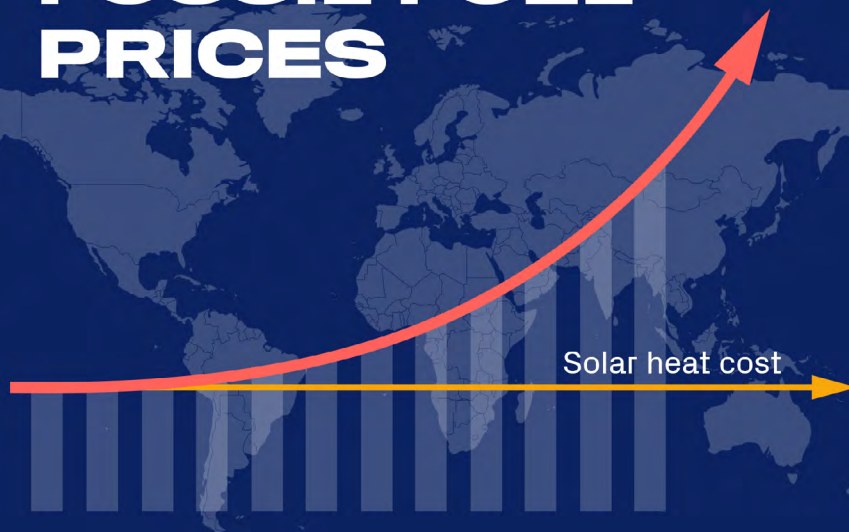
Revenue model

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.

FOSSIL FUEL PRICES



Europe's unexpected harsh weather conditions and the economic upturn from the Covid-19 pandemic strongly impacted global gas demand, which in turn affected natural gas prices in 2021. Photo: Absolicon

MARKET

During the autumn, shortages of fossil gas on the continent have pushed up both gas prices and electricity prices to record levels, and this has also affected Swedish electricity prices..

The IEA and IRENA anticipate close to USD 1 trillion for solar heating

IEA: 11% of all industrial heat below 400°C becomes solar heat

The International Energy Agency (IEA), in its Net Zero Emission (NZE) report, forecasts that the number of homes with a small solar collector on the roof for hot water will increase from 250 million homes in 2020 to 1.2 billion homes in 2050. At the same time, the number of houses with solar roofs is increasing from 25 million to 240 million ⁽¹⁾.

The IEA also sees industries switching from fossil fuels to solar heating. The IEA states in the NZE that as early as 2030, 3% of all industrial heat below 400°C could come from solar collectors and by 2050 it should increase to 11% ⁽²⁾ if we are to meet the 1.5°C target.

IRENA: Close to USD 1 trillion for industrial solar heating IRENA

International Renewable Energy Agency was formed in 2009 to complement the IEA, which focused on the extraction of fossil fuels rather than renewable energy sources.

In their report "Transforming the energy system", they forecast that the world's industries will invest USD 2.5 trillion in the transition to renewable energy, with USD 875 billion, or the equivalent of SEK 8 trillion, going to industrial solar heating ⁽³⁾.

Billions in cost-benefit analysis

The Swedish Energy Agency was commissioned by the Swedish government to investigate the potential for large-scale solar heating in Sweden, something Absolicon previously reported on. The report was presented on 6 December and shows that solar thermal energy is profitable in Sweden and can play a major role in the energy system.

The report, based on a year in the 2030s, shows that solar heating is cheaper in hundreds of small district heating networks than stage 1 heating ⁽⁴⁾.

This corresponds to approximately SEK 1 billion in solar heating investments. In the heating networks where pellets are currently used, it will be profitable in 100% of cases to use solar heat.

In September 2021, Fossil Free Sweden released its report on how Sweden will meet its emissions targets. The report argues that Sweden has assumed far too high a share of biofuels in a sustainable Sweden in 2045. Among other things, the report states that district heating plants should reduce their use of wood chips.

Europe suffers from high energy prices

Europe is extremely dependent on gas imports to keep industries running and cities warm.

Half of all gas is imported from Algeria and Russia that are geopolitically volatile. In the political game surrounding Ukraine, Russia is accused of holding back gas supplies to Europe.

Across Europe, politicians have had to step in to help consumers with soaring energy prices.

The number of inquiries continues at a high level

In 2021, we saw a rapid expansion in the number of contacts with end customers of solar collectors. From a handful of contacts with multinational companies in 2019, Absolicon has, in 2021, engaged in dialogue on installations with 10 of the world's 20 largest food companies with a combined turnover of over SEK 3 trillion. Negotiations are also underway with companies in the textile, chemical and mining industries.

Absolicon sent 35 project proposals to potential customers in Q1 2021, which is an increase of 170% compared to 13 proposals sent in Q1 2020.

COP26 in Glasgow

The Glasgow Climate Summit brings together 25,000 delegates from 200 countries to negotiate a joint agreement over two weeks under the 1992 UNFCCC. They meet annually. However, every five years, there is a larger meeting where the heads of state also participate.

At the Paris meeting in 2015, countries agreed to take action to keep the Earth's temperature rise well below 2 degrees, with a target of 1.5 degrees.

The IEA announces the end of new oil and gas development

In May, the International Energy Agency (IEA) presented a pathway "IEA Net Zero by 2050 Roadmap" with 400 targets to meet the 1.5 degree target adopted in the Paris Agreement. The report's most startling finding is that "No new oil and natural gas fields are needed..." ⁽⁵⁾

The report is a blow to those who have argued that new fossil gas extraction can facilitate the transition. Both Norway and the UK have plans to increase extraction, but the report clearly shows that this is not sustainable.

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- (1). Clean and efficient heat for industry - Analysis - IEA, page 147
 - (2) . Future role of solar heat in IEA's Net Zero Roadmap - Solarthermalworld
 - (3) . Transforming the energy system (irena.org), page 30
 - (4) . Solar heating in Sweden, Swedish Energy Agency 2021
 - (5) . IEA Net Zero by 2050 Roadmap



SUSTAINABILITY WORK

Absolicon has begun work on a sustainability report that will support the sustainability work for management and employees and as a report to external stakeholders such as customers and shareholders.

Absolicon's solar collectors have the world's highest optical efficiency. Thanks to being made primarily of iron and glass, they have a fraction of the environmental impact of producing heat compared to alternatives.

Life cycle analysis

For many years, Absolicon has been working with life cycle analyses and gradually reducing material consumption and removing unsuitable materials. As a result, the T160 has a very high environmental performance with emissions of only 6-10 grams of CO₂ per kWh produced, which is half that of other renewable heat sources and only 2-5% compared to fossil fuels.

Stakeholder analysis

In 2021, an initial stakeholder analysis of Absolicon's sustainability work has been conducted, through interviews with customers, partners, shareholders, employees and management. Absolicon's material sustainability aspects have been identified and prioritised based on sustainability aspects such as working environment and working conditions, gender equality and diversity, and resource use and waste.

Working towards the global goals of the UN's 2030 Agenda

Absolicon has adopted areas of work based on stakeholder analysis in line with the global sustainability goals of the UN's 2030 Agenda. Our five priority goals are sustainable energy for all, decent work and economic growth, responsible production and consumption, mitigating climate change, and ecosystems and biodiversity.



Sweden's largest solar heating park with concentrating solar collectors for district heating was inaugurated last September in Härnösand. Photo: Kenneth Zetterlund

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Several LOIs for pilot installations

Several letters of intent for pilot installations with major industries have been signed during the year and Absolicon has achieved the target set at the beginning of 2021 to sign five letters of intent for pilot installations with multinational companies. Below is a selection of four of the agreements:

India- Raillis India (TATA)

Absolicon, together with its Indian production line partner Climatenza, has been granted a Swedish-Indian cooperation project of SEK 4,900,000 by Vinnova. The plan is to fund a pilot installation at Raillis India in Mumbai, a chemical manufacturing subsidiary of the Indian multinational conglomerate TATA.

Pilot Germany- ADM WILD

Absolicon and ADM International SÄRL (ADM) have signed a letter of intent to begin preparations for a first solar collector field at ADM WILD Europe GmbH & Co KG's facility in Eppelheim, Germany.

Pilot Italy- Birra Peroni (Asahi)

Absolicon and Birra Peroni s.r.l have signed a letter of intent for a 660 m² solar field at Birra Peroni's facility in Bari, Italy. Birra Peroni is owned by the Japanese multinational Asahi.

Greece – Carlsberg

Absolicon and Carlsberg Group signed an agreement in July for a Greek pilot field with solar collectors at the Olympic Brewery in the company's Sindo production facility.

Ongoing installations in Kenya and Saudi Arabia

During the year, Absolicon employees were on site to carry out solar thermal installations at Iberafrica's factory in Nairobi and at SWCC's research facility located outside Al Jubail in Saudi Arabia.

The installation in Kenya is the first to be carried out by a production line partner of Absolicon.

Seven framework agreements on production lines

During the year, Absolicon signed framework agreements for production lines with companies in seven countries: Canada, Botswana, Italy, France, Uruguay, Mexico and Chile.

The framework agreement lays down the general principles of the separate agreements to be drawn up and the steps to be taken before a binding contract for the acquisition of the production line can be signed.

Högslättan Solar Thermal Park in operation

Sweden's largest solar thermal park with concentrating solar collectors for district heating was inaugurated last September in Härnösand. The solar collector installation is the first large-scale example of solar heating in Swedish district heating in 20 years.

Cooperation with ABB

ABB and Absolicon announced in May that they intend to cooperate in the development, sales and marketing of the robotic production line worldwide.

Issue subscribed at 244%

A rapidly growing number of inquiries for solar thermal installations from multinational companies meant that Absolicon decided in spring 2021 to raise about SEK 50 million to realise more customer projects and increase the project rate. The issue was subscribed for SEK 119 million (244%).

Other activities

Modolar

Modolar has, since its inception, worked closely with Colgate-Palmolive, a multinational company with about 120 factories around the world specialising in household chemicals. It first installed a small installation that in 2021/2022 was expanded to fill almost the entire available roof space.

In addition to the pilot installation at Colgate, the collaboration with Modolar has focused on developing standardised solar-powered process equipment such as evaporators.

Absolicon's Board of Directors decided during Q4 to write down the value of Modolar.



Absolicon runs a number of different research projects and work is ongoing to evaluate and write applications for participation in various green transformation programmes. Photo: Tarek Suleiman

RESEARCH AND DEVELOPMENT

Solar Keymark certification now extended to North America

The Solar Keymark certification obtained by the Absolicon T160 solar collector has been officially confirmed by the American Institute Solar Rating & Certification Corporation (ICC-SRCC™). This means that the solar collector can also be labelled with the US certification SRCC and become eligible for state and federal subsidies in the US. The certification is the US equivalent of the Solar Keymark certification that the collector has already received in Europe and is designed to help manufacturers meet requirements in the US, Canada, Mexico and the Caribbean.

T200

The T200 solar collector is a further development of Absolicon's already market-leading technology for commercial concentrating solar collectors. In the third quarter of 2021, the first test results were received from the Swiss SPF, which has tested the new T200 collector. The results are promising and clearly show that a significant reduction in collector heat loss has been achieved. The process now continues to certify the T200 solar collector with a Solar Keymark.

New software improves customer experience

Absolicon's delivery team has developed a new software allowing solar installation buyers to get a full overview of their entire solar collector field. Through a simple interface, the user can follow the production in the field, record measurements and make comparisons between different time periods, as well as see current values from the solar collector system's solar monitoring centre. The system collects and evaluates the solar installation based on several pre-defined metrics. The system gives the customer a complete overview of their production and how the field is performing, both in real time and over time.

New bearing element for the solar collectors

New bearing element for the solar collectors Absolicon has developed a new design that further improves the mechanical movement to follow the sun during the day. The design also offers cost savings in the form of cheaper production, simplified assembly and less preparation in the form of construction work.

Other research activities

Absolicon runs a number of different research projects that were presented in quarterly reports:

- The Högsåten 2023 demonstration project is building Sweden's largest concentrating solar thermal power plant. The second phase of construction was scheduled to start in 2021 but has been postponed due to deliveries to pilots for multinational companies.
- The SIKT research project was completed during the period with good results. It is hoped that the Region Västernorrland will finance a follow-up project along the same lines.
- The project "Field design for concentrating solar collectors" has been completed. Very good results have been reported to the Swedish Energy Agency.
- FREINDSHIP where Absolicon's share of the project is about SEK 6.5 million. EU funding covers 100% of costs + 25% of overhead costs.

Some of the projects awarded money during the year:

1. Projects regarding solar heat in the management of sewage sludge are awarded SEK 415,000.
2. Bonding of solar collectors part of laser research granted SEK 2.35 million by Vinnova.

Ongoing work is underway to evaluate and write applications for participation in various green transformation programmes such as IEC, LIFE, Innovation Fund, Eureka and Eurostars. Together with partners, also planning participation in Southern European support schemes to promote green transformation. Regular contacts with the Swedish Energy Agency, Vinnova and the research institute RISE as well as our university partners.



With Absolicon's business strategy of selling production lines and materials for the solar collectors, it is vital to have strong intellectual property protection with patents, trademark protection and design protection. Photo: Tarek Suleiman

INTELLECTUAL PROPERTY

Patents and intellectual property rights are an important part of the strategy

With Absolicon's business strategy of selling production lines and materials for the solar collectors, it is vital to have strong intellectual property protection with patents, trademark protection and design protection.

71 patents or patent applications

At the end of 2021, Absolicon has 71 patents or patent applications in 13 patent families. 38 of the patents have already been granted. We also have three utility model rights in China. The countries covered by the patents represent 60% of the world's total gross domestic product. Eight patent families contain patents that have either been granted or deemed patentable by an international patent office (PCT). Five patent families are still pending.

Development of the patent portfolio

In parallel with deliveries of Absolicon T160, product development continues and new patents are expected to be added. We have trimmed some patents that we see will not strengthen our protection but only add costs.

Rights to the solar collector materials By owning the solar collector materials themselves, Absolicon can maintain a very strong market position. Among the patents in process are two very exciting material patents:

- An improved selective surface that absorbs sunlight but does not release heat for our receiver tube, the receiver and does not require a toxic process
- A new environmentally friendly, low-cost and effective anti-reflective coating for glass that we are developing together with the RISE research institute.

Both patents are the result of our material investment that started in 2017. The materials work at lab scale, but there is still a lot of work to be done before we see them ready for full-scale production.

Absolicon is also working through partners in the US with the development of reflector materials where we have signed agreements to acquire rights to these.

COMPANY 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 12 May 2021 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 2021 and 2020 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 2021 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 has been adjuncts to most of the Board meetings. Of the Board members, Peter Johansson and Sören Olsson are independent from major shareholders. In 2021, the Board of Directors held one inaugural meeting and 10 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 BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3) with progressive profit recognition on projects. The accounting is being prepared during the year for the transition to IFRS on 1 Jan 2023.

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 2021, 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.

The company has increased the number of salespeople and technicians beyond what was planned at the beginning of the year and has created room for further expansion through a rights issue in April 2022. Even without any additional sales or other revenues, Absolicon's existing working capital is sufficient to continue operations for at least 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. However, the pandemic has meant that the number of trips during the year has been significantly lower, affecting both installation and sales work and causing some delivery delays.

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. At the turn of the year, Absolicon's shares were traded on the Spotlight Stock Market, but in January 2022 they changed listing to Spotlight NEXT. 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, which is planned for 1 Jan 2023..

SHAREHOLDER INFORMATION

RESULTS AND SHARE PERFORMANCE

Sales and results

Net sales in 2021 amounted to SEK 2,727,000 (1,989,000) and operating profit for the full year amounted to SEK -43,478,000 (-23,251,000). Earnings per share for 2021 amounted to SEK -20.48 (-11.61). Earnings per share are calculated as profit for the period divided by 2,467,794 (1,998,650) shares outstanding.

Share performance

The shares of Absolicon were listed as ABSL on the Spotlight Stock market on 22 June 2016. In December 2021, Absolicon had more than 6,000 shareholders.

The introductory price on 22 June 2016 was SEK 31.30 (SEK 40 without compensation for new issues) and on 30 December 2021, the price was SEK 137.

Annual General Meeting

The company's Annual General Meeting will be held on Monday, 13 May 2022, 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 2021-01-01 to 2021-12-31.

Top ten owners	Capital	Votes
Joakim Byström	10,48%	10,48%
Priono Aktiebolag	5,75%	5,75%
Fastighets AB Ponord	5,03%	5,03%
Avanza Pension	4,78%	4,78%
Nordnet Pensionsförsäkring	4,11%	4,11%
Klas Bengtsson	2,03%	2,03%
Tectus AB	0,99%	0,99%
Livförsäkringsbolaget Skandia	0,66%	0,66%
Kjell Gustav Ragnvald Ericson	0,64%	0,64%
Bo Sallmander	0,49%	0,49%

Largest owners of the enterprise and their ownership and voting shares. Latest change 2021-12-31

IMPORTANT EVENTS AFTER 2021-12-31

Absolicon moves up to Spotlight NEXT

Since 20 January, Absolicon's shares are traded on the Spotlight Next segment. Spotlight Next is a segment for companies that are ready for the next chapter in their growth journey. At the January 20 ceremony moving Absolicon to the segment, Spotlight described Absolicon's journey from its listing in 2016 to today's global presence and a market capitalization of over SEK 300 million. Olle Olsson, board member of Absolicon, was on hand to ring the bell.

Absolicon is responsible for part of the IEA project on solar-powered district heating

Representatives from 20 countries in the International Energy Agency's Solar Heating and Cooling Programme have decided to launch a new research collaboration on large-scale solar heating for district heating networks, Task 68. Absolicon, as the leader of "Subtask D", will play an important role in collecting and disseminating information on solar thermal technology in the working group.

Absolicon has acquired rights to new reflector film

Absolicon pays USD 17,000 for the rights to a new reflector film that reduces the cost of concentrated solar power. The film is based on aluminium instead of silver and is considerably cheaper than the solution used today. Absolicon has also ordered a machine for laminating reflectors and sheet metal to deliver material to production lines quickly and has applied for about SEK 1 million in investment aid for it.

Creative Power Solutions signs framework agreement with Absolicon for establishment of production line in Egypt

Creative Power Solutions has signed a framework agreement with Absolicon for the establishment of a production line for the T160 solar collector in Egypt. Creative Power Solutions is a Swiss-based energy company that develops technologies for power plants.

Absolicon carries out rights issue

On 24 February, Absolicon's Board of Directors announced its intention to carry out a rights issue of SEK 95 million during the spring, with a preliminary subscription period of 31 March - 21 April 2022. Of the issue amount, SEK 25 million is currently covered by issued subscription guarantees. The capital will be used to build pilot installations at some of the world's largest multinational companies, for sales and marketing and for research and development.

Absolicon invests in Solis Calor AB

Solis Calor AB is a company that will offer energy services to companies, public institutions and district heating operators. The company was founded by Magnus Andersson and Stefan Jonsson together with the solar heating companies Absolicon and SOLID from Austria. Absolicon and SOLID are contributing to Solis Calor with projects, working time and are both contributing SEK 250,000 through a directed share issue in the start-up company. The issue will give Absolicon and SOLID 20% ownership each. The remaining 60% of the shares are controlled by the company's management.

Increased focus on Europe

Europe is dependent on oil, gas and coal imports, and energy prices are quickly affected if supplies are cut off. The record high gas prices in Europe have also affected Swedish electricity prices. The IEA now predicts that there will be a shortage of natural gas in the world even in the medium term. This means changing priorities for Absolicon with an increased focus on Europe. Investing in large-scale solar thermal energy not only brings low energy prices, but also energy security that is independent of events on the global market. The concept of energy security appears in the debate and is likely to become a more important aspect when cities and industries make energy choices in the future.

MANAGEMENT REPORT

The annual report is presented in Swedish kronor, SEK.

Multi-year comparison*

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

	2021	2020	2019	2018	2017
Net sales	2,727	1,989	1,958	26,599	2,110
Profit/loss after financial items	-56,093	-23,205	-18,745	-5,178	-10,080
Balance sheet total	95,161	91,099	52,134	58,633	49,347
Equity ratio (%)	82	86	86	86	62
Cash liquidity (%)	206	277	117	271	143

*Definitions of key figures, see notes

Changes in equity

	Share capital	Fund for development costs	Share premium account	Balanced results	Result for Results
Amount at beginning of year	1,998,650	8,046,150	129,199,659	-42,060,746	-18,587,775
New share issue	469,144		49,977,517		
Distribution of profit according to the decision of the Annual General Meeting:					
Change in fund for development costs		-136,652		-18,587,775	18,587,775
Profit/loss for the year				136,652	-50,538,596
Amount at the closing of the year	2,467,794	7,909,498	179,177,176	-60,511,869	-50,538,596

Allocation of profits

Proposal for the appropriation of the company's profit

At the Annual General Meeting, the capitalised loss of the share premium fund is the loss of the year

	-60,511,869
The Board proposes that the following be transferred <u>to the new account</u>	179,177,177
	-50,538,596
	68,126,712

68,126,712
68,126,712
For the company's other results and position, please refer to the following income statements and balance sheets with accompanying notes.

INCOME STATEMENT

	Note	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Operating income, etc.			
Net sales		2,726,788	1,989,136
Activated own-account work		7,381,006	2,079,317
Other operating income		2,176,390	5,249,481
		<u>12,284,184</u>	<u>9,317,934</u>
Operating expenses			
Raw materials and consumables		-7,493,967	-1,826,152
Other external costs	3	-20,529,607	-11,598,023
Personnel costs	4	-24,068,908	-16,034,055
Depreciation and write-downs of tangible and intangible fixed assets		-3,554,122	-2,770,991
Other operating costs		-115,410	-339,629
		<u>-55,762,014</u>	<u>-32,568,850</u>
Operating profit/loss		-43,477,830	-23,250,916
Profit/loss from financial investments			
Income from investments in associated companies and jointly controlled companies		-12,853,449	0
Other interest income and similar profit/loss income		289,748	146,495
Interest expense and similar profit/loss income		-51,058	-100,841
		<u>-12,614,759</u>	<u>45,654</u>
Profit/loss after financial items		-56,092,589	-23,205,262
Profit before tax		-56,092,589	-23,205,262
Tax on profit for the year	5	5,553,993	4,617,487
Profit/loss for the year		<u>-50,538,596</u>	<u>-18,587,775</u>

BALANCE SHEET

		2021-12-31	2020-12-31
	Note		
ASSETS			
Fixed assets			
Intangible fixed assets			
Internally generated intangible assets	6	3,794,910	3,260,997
Patents and licences	7	1,249,610	517,372
Projects in progress for intangible assets	8	3,230,840	4,785,183
Total intangible assets		8,275,360	8,563,552
Tangible fixed assets			
Expenditures for improvement on another's property	9	1,088,291	1,293,703
Machinery and other technical equipment	10	5,195,457	5,665,180
Equipment, tools and installations	11	1,449,427	1,679,207
Fixed assets in progress	12	22,344,457	4,543,356
Total tangible fixed assets		30,077,632	13,181,446
Financial fixed assets			
Investments in associated companies	13	0	12,853,449
Other securities held as fixed assets	14	2,000	2,000
Deferred tax asset	15	20,144,836	14,590,843
Total financial fixed assets		20,146,836	27,446,292
Total fixed assets		58,499,828	49,191,290
Current assets			
Inventory, etc.			
Raw materials and consumables		1,741,811	4,647,022
Work in progress		0	105,066
Finished products/goods for resale		371,033	2,584,483
Advance payments to suppliers		168,205	0
Total inventory, etc.		2,281,049	7,336,571
Current receivables			
Accounts receivable – trade		414,749	315,800
Receivables from associated companies		0	641,597
Other receivables		3,558,542	3,678,907
Prepaid expenses and accrued income	16	3,172,885	3,004,600
Total current receivables		7,146,176	7,640,904
Short-term investments			
Other short-term investments		26,337,614	25,056,792
Total short-term investments		26,337,614	25,056,792
Cash and bank balances			
Cash and bank balances		896,015	1,873,283
Total cash and bank balances		896,015	1,873,283
Total current assets		36,660,854	41,907,550
TOTAL ASSETS		95,160,682	91,098,840

EQUITY AND LIABILITIES		2021-12-31	2020-12-31
Equity			
Restricted equity			
Share capital	17	2,467,794	1,998,650
Fund for development costs	18	7,909,497	8,046,150
Total restricted equity		10,377,291	10,044,800
Non-restricted equity			
Share premium account		179,177,177	129,199,659
Balanced result		-60,511,869	-42,060,746
Profit/loss for the year		-50,538,596	-18,587,775
Total non-restricted equity		68,126,712	68,551,138
Total equity		78,504,003	78,595,938
Current liabilities			
Debts owed to credit institutions		0	11,627
Advance payments from customers		0	212,293
Accounts payable – trade		4,422,284	3,401,333
Liability for current tax		166,262	127,299
Other liabilities		1,065,100	888,716
Accrued expenses and deferred income	19	11,003,033	7,861,634
Other current liabilities		16,656,679	12,502,902
TOTAL EQUITY AND LIABILITIES		95,160,682	91,098,840

CASH FLOW STATEMENT

	2021-12-31	2020-12-31
Current operations		
Operating profit after financial items	-56,092,589	-23,205,262
Adjustments for items not included in cash flow	16,621,069	2,770,991
Income tax paid	38,963	-20,467
Cash flow from operating activities before changes in working capital	-39,432,557	-20,454,738
Cash flow from changes in working capital		
Decrease(+)/increase(-) of inventories	5,055,522	-3,288,646
Decrease (+)/increase(-) in account receivables - trade and other assets	281,231	-1,667,278
	4,126,440	7,165,544
Decrease(-)/increase(+) in account payables - trade and other liabilities	-29,969,364	-18,245,118
Cash flow from operating activities		
Investment activities		
Purchase of intangible assets	-1,654,852	-2,075,602
Purchase of tangible assets	-18,507,265	-5,232,416
Cash flow from investing activities	-20,162,117	-7,308,018
Financing activities		
New share issue	51,605,840	52,258,030
Issue costs	-1,159,178	-1,287,958
Repayment of debt	-11,627	-74,981
Change in overdraft facility	0	-487,545
Cash flow from financing activities	50,435,035	50,407,546
Change in liquid funds		
Cash and cash equivalents at the beginning of the year	303,554	24,854,410
	26,930,075	2,075,665
Cash and cash equivalents at the end of the year	27,233,629	26,930,075

Not
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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

Public contributions are valued at the fair value of the asset that the company has received or will receive.

Public contributions not associated with requirements for future performance, so-called unconditional grants, are recognised as income when the conditions for receiving the grant are met, i.e. usually in connection with receiving a grant. Public contributions that are conditional on future performance, known as conditional grants, are recognised as an expense when the grant is received and are subsequently recognised as income when the performance is rendered.

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. Revenue is valued at fair value for compensation that has been received or will be received in relation to the degree of completion.

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
- 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 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, a 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.

Receivables and liabilities in foreign currency

Monetary receivables and liabilities in foreign currency have been translated at the exchange rate on the balance sheet date.

Exchange rate differences that arise when adjusting or translating monetary items are reported in the income statement in the financial year in which they arise, either as an operating item or as a financial item based on the underlying transaction.

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

	2021	2020
Audit services	234,500	162,500
Audit activities other than audit assignments	<u>16,000</u>	<u>63,250</u>
	250,500	225,750

Note 4 Personal

	2021	2020
Average number of employees		
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	31.00	22.00
of which women	3.00	4.00
of which men	28.00	18.00
Salaries and other allowances		
Board of Directors, CEO and corresponding officers	1,097,709	1,240,570
Other personnel	<u>15,072,055</u>	<u>10,166,639</u>
	16,169,764	11,407,209
Employer's contributions and pension costs		
Employer's contributions	6,817,434	4,031,952
(Of which pension costs for Board of Directors and CEO)	<u>128,003</u>	<u>132,564</u>
	6,817,434	4,031,952
Total salaries, other remuneration, employer's contributions and pensions	22,987,198	15,439,161
Check the box if you want the information divided		
Remuneration of the Board of Directors and the CEO is distributed as follows		
Joakim Byström	716,710	671,000
Olle Olsson	210,999	329,570
Sören Olsson	60,000	80,000
Peter Johansson	50,000	80,000
Malte Frisk	60,000	80,000
Total remuneration to the Board of Directors and the CEO	1,097,709	1,240,570

Note 5 Income tax	2021	2020
The tax cost consists mainly of the following elements:		
Reported tax in the income statement	0	0
Change in deferred taxes in temporary differences	-5,553,993	-4,617,487
Total reported tax	-5,553,993	-4,617,487
Effective tax rate	0	0
	10	20
Reconciliation of effective tax		
Profit before tax		
Tax expense 20.60% (21.40%)	-56,092,589	-23,205,262
	-11,555,073	-4,780,284
Tax effect of:		
Non-deductible costs		
Tax adjustments		
Issue costs were reported directly against equity		
Increase in loss carry-forwards without corresponding capitalisation of deferred tax	2,752,672	29,362
	24,304	25,918
Revaluation of deferred tax asset on losses due to change in tax rate	-238,790	-265,319
Rounding difference	3,462,894	0
Total	0	372,836
	0	0
	-5,553,993	-4,617,487

Note 6 Internally accumulated intangible assets	2021-12-31	2020-12-31
Inbound acquisition value	5,249,330	5,045,233
Reclassifications	1,551,178	204,097
Outgoing accumulated acquisition values	6,800,508	5,249,330
Comprehensive depreciation	-1,988,333	-969,081
This year's depreciation	-1,017,265	-1,019,252
Outgoing accumulated depreciation	-3,005,598	-1,988,333
Outgoing value	3,794,910	3,260,997

The acquisition value has been reduced by public grants from the County Council by SEK 709,811.

Note 7 Patents and licences	2021-12-31	2020-12-31
Inbound acquisition value	879,886	879,886
Purchases	1,204,833	0
Sales/disposals	-132,481	0
Outgoing accumulated acquisition values	1,952,238	879,886
Comprehensive depreciation	-362,194	-191,537
Sales/disposals	22,080	0
This year's depreciation	0	-170,977
Outgoing accumulated depreciation	-702,628	-362,514
Outgoing value	1,249,610	517,372
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	2021-12-31	2020-12-31
Inbound acquisition value	4,785,183	2,913,678
Purchases	2,346,496	2,075,602
Sales/disposals	1,165,687	-204,097
Reclassifications	2,735,152	0
Outgoing accumulated acquisition values	3,230,840	4,785,183
Outgoing value	3,230,840	4,785,183

Note 9 Improvement leasehold	2021-12-31	2020-12-31
Inbound acquisition value	1,748,590	1,625,726
Purchases	0	122,864
Outgoing accumulated acquisition values	1,748,590	1,748,590
Comprehensive depreciation	-454,887	-252,788
This year's depreciation	-205,412	-202,099
Outgoing accumulated depreciation	-660,299	-454,887
Outgoing value	1,088,291	1,293,703

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 10 Machinery and other technical equipment	2021-12-31	2020-12-31
Inbound acquisition value	7,116,360	7,116,360
Purchases	262,410	0
Outgoing accumulated acquisition values	7,378,770	7,116,360
Comprehensive depreciation	-1,451,180	-741,288
This year's depreciation	-732,133	-709,892
Outgoing accumulated depreciation	-2,183,313	-1,451,180
Outgoing value	5,195,457	5,665,180
The acquisition value has been reduced by public grants from the County Council by SEK 1,388,399.		

Note 11 Equipment, tools and installations	2021-12-31	2020-12-31
Inbound acquisition value	5,304,639	4,738,443
Purchases	443,756	566,196
Outgoing accumulated acquisition values	<u>5,748,395</u>	<u>5,304,639</u>
Comprehensive depreciation	-3,625,432	-2,956,661
This year's depreciation	-673,536	-668,771
Outgoing accumulated depreciation	<u>-4,298,968</u>	<u>-3,625,432</u>
Outgoing value	1,449,427	1,679,207

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.

Modular AB(formerly Saravanos Solar++ AB)		
Inbound acquisition value	<u>12,853,449</u>	<u>12,853,449</u>
Outgoing accumulated acquisition values	12,853,449	12,853,449
Opening write-downs	0	0
Write-downs for the year	-12,853,449	0
Closing accumulated write-downs	<u>-12,853,449</u>	<u>0</u>
Outgoing value	0	12,853,449

Note 12 Fixed assets in progress	2021-12-31	2020-12-31
Inbound acquisition value	4,543,356	0
Purchases	<u>17,801,101</u>	<u>4,543,356</u>
Outgoing accumulated acquisition values	22,344,457	4,543,356
Outgoing value	22,344,457	4,543,356

Note 13 Investments in associated companies	2021-12-31	2020-12-31
Company	Amount/ share %	Recognised value
Registration number		Recognised value
Modular AB(formerly Saravanos Solar++ AB)	25,000	0
559058-4727	Härnösand 50.00%	12,853,449
	0	12,853,449

Note 14 Other securities held as fixed assets	2021-12-31	2020-12-31
Inbound acquisition value	<u>2,000</u>	<u>2,000</u>
Outgoing accumulated acquisition values	2,000	2,000
Outgoing value	2,000	2,000

Refers to share in the economic association Höga Kusten Industrigrupp

Note 15 Deferred tax

	2021-12-31	2020-12-31
Deferred tax assets relating to loss carryforwards	20,144,836	14,590,843
Accumulated deferred tax values carried forward	20,144,836	14,590,843

Note 16 Prepayments and accrued income

	2021-12-31	2020-12-31
Prepaid rental costs	501,877	467,829
Other prepayments	465,422	238,015
Accrued grants County Council	15,898	10,336
Accrued grants Nopef	0	69,037
Other accrued grants	1,337,867	2,170,846
Other accrued income	851,821	48,537
	3,172,885	3,004,600

Note 17 Information on share capital

	2021-12-31	2020-12-31
Value at the beginning of the year	1,998,650	1,503,891
Value at the end of the year	2,467,794	1,998,650

Note 18 Fund for development costs

	2021-12-31	2020-12-31
Amount at beginning of year	8,046,150	6,989,830
Provision for the year	2,347,222	2,075,571
Depreciation for the year	-1,729,215	-1,019,251
Write-downs for the year	-754,659	0
Amount at the closing of the year	7,909,498	8,046,150

Note 19 Accrued expenses and prepaid income

	2021-12-31	2020-12-31
Accrued personnel costs	3,550,445	1,806,374
Unused grant revenue received	6,530,430	5,655,510
Other accrued expenses	922,158	399,750
	11,003,033	7,861,634

Note 20 Contingent liabilities

	2021-12-31	2020-12-31
Conditional repayment obligation for government grants.	21,000,912	18,343,821
	21,000,912	18,343,821

Conditional repayment obligation for government grants.

Note 22 Pledged assets	2021-12-31	2020-12-31
Floating charges	3,720,000	2,000,000
<i>Assets with retention of title</i>		78,627
Total pledged assets	3,720,000	2,078,627

Note 22 Major events after the end of the financial year

Absolicon Solar Collector AB has been approved for trading on the Spotlight Next segment and will be traded there as of Thursday, 20 January 2022. (17/1/2022)

Absolicon pays USD 17,000 for the rights to a new reflector film that reduces the cost of concentrated solar power. (27/1/2022)

Absolicon invests in Solis Calor AB, which has developed a concept for design, financing and management of solar thermal systems and energy storage solutions, and becomes an owner of 20% (14/2/2022)

Efficient production of reflector plate receives SEK 1.1 million in investment support from Region Västernorrland (4/3/2022)

Phoenix Solar Thermal in Canada pays SEK 1 million as part of the framework agreement to acquire North America's first production line (17/3/2022)

Absolicon's rights issue, which ran from 31 March to 21 April, was 124 per cent subscribed and the company will receive approximately SEK 96 million, including the oversubscription issue after issue costs. The share capital increases from SEK 2,467,794 to SEK 3,330,392 (26/4/2022)

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 and performance.

The company's annual report, as stated above, has been approved for issuance by the Board of Directors on 26 April 2022. The income statement and balance sheet will be presented for adoption by the Annual General Meeting on 13 May 2022.




Joakim Byström
Board member and CEO




Malte Frisk
Chairman of the Board



Peter Johansson
Board member



Olle Olsson
Board member



Sören Olsson
Board member

Our auditor's report has been submitted to KPMG AB



Lars Skoglund
Huvudansvarig auktoriserad revisor



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



Audit Report

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

Report on the annual accounts

Opinions

We have audited the annual accounts of Absolicon Solar Collector AB for the financial year 2021. The annual accounts of the company are included on pages 4-35 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 as of 31 December 2021 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 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.

Information other than the annual report

This document also contains information other than the annual report and can be found on pages 6-10 and 15-17. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the financial statements does not cover this information and we do not express an audit opinion on this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 with regard to continuing operations. 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.

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.

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 for the financial year 2021 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 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.

Sundsvall, 19 May 2022

KPMG AB

Lars Skoglund
Authorised public accountant