



INTERIM REPORT Q3 2020

Interim report for the third quarter of 2020

Midsummer AB (Publ) Nasdaq First North Premier Stockholm, MIDS

Net sales for the Group for the first three quarters of 2020 stood at TSEK 65,988 (TSEK 155,630 for the first three quarters of 2019). Net sales for the third quarter of 2020 amounted to TSEK 3,477 (TSEK 22,274 for the third quarter of 2019).

Earnings per share for the Group for the first three quarters of 2020 stood at SEK -1.74/share both before and after dilution (SEK -0.62/share for the first three quarters of 2019). Earnings per share for the third quarter stood at SEK -1.19 SEK/share both before and after dilution (SEK -0.82 SEK/share for the third quarter of 2019).

Notable events July–September 2020

9 July 2020 Midsummer launches PowerMesh Technology

The new PowerMesh Technology increases the power of the solar cells and gives the solar panels an even more discrete appearance.

31 August 2020 Organizational change to focus more on solar panels

Midsummer is changing its focus from the production of machinery to the production and sale of solar panels. This involves changes in the organization to prepare for the commercialization of the company and expansion in Europe.

9 September 2020 Midsummer Italia

Midsummer establishes a subsidiary in Italy. Jarno Montella is the CEO of the subsidiary, which is called Midsummer Italia. The aim is to open a factory in Italy for the large-scale production of solar panels.

18 September 2020 Midsummer resolves on a directed and fully guaranteed rights issue

This issue gives a total of approximately SEK 250 million after issue costs and is being carried out to pave the way for European expansion.

29 September 2020 Midsummer's building-integrated solar panels are launched on the Iberian Peninsula

Midsummer and Rollgum sign a cooperation agreement to supply roofs with integrated solar panels to commercial customers in Spain, Portugal and Andorra.

Notable events after the end of the period

7 October 2020 Midsummer's solar panels can reduce fuel emissions by up to 20%

Midsummer's solar panels are installed on a truck trailer as part of a development project with partners that include Scania. Studies have shown that this could reduce truck fuel emissions by up to 20%.

15 October 2020 Midsummer holds an extraordinary general meeting

A general meeting is held to discuss the new share issue.

26 October 2020 Midsummer wins Most Innovative SolarTech Solution 2020

Midsummer wins an award for its innovative technology from the publication Capital Finance International.

28 October 2020 Midsummer receives its largest order ever for solar panels

The order is for the product Midsummer BOLD, which will cover an industrial building in Flen in Sweden.

10 November 2020 Midsummer's rights issue is oversubscribed

Results show that the issue has been oversubscribed following high levels of interest among both existing and new investors.

Several new installations were also completed during the period.

Here are photos from a selection of them:



Overview of the Group from January to September 2020 including key performance indicators

SEK	Jan–Sep 2020	Jan–Sep 2019	Jul–Sep 2020	Jul–Sep 2019
Net sales	65,988,424	155,629,767	3,477,394	22,273,723
EBITDA	-14,838,772	13,065,945	-24,022,471	-10,770,070
Operating profit	-41,117,068	-7,081,598	-32,839,024	-18,065,459
Profit before tax	-54,030,016	-14,365,445	-37,103,553	-21,713,088
Profit after tax	-54,030,016	-19,208,158	-37,103,553	-25,233,978
Operating margin	-62.31%	-4.55%	-944.36%	-81.11%
EBITDA margin	-22.49%	8.40%	-690.82%	-48.35%
Equity/assets ratio	24.04%	34.08%	24.04%	34.08%
Cash flow for the period	-84,097,903	86,737,324	-873,204	-51,871,381
Earnings per share				
- before dilution	-1.74	-0.62	-1.19	-0.82
- after dilution	-1.74	-0.62	-1.19	-0.82

Definitions and descriptions of key performance indicators

The company presents some financial measures in this interim report that are not defined under IFRS. The company believes that these measures provide valuable supplemental information for investors and the company's management as they enable the evaluation of the company's performance.

EBITDA

Operating profit before depreciation/amortization and impairment.

EBITDA is a measure that the Group regards as relevant for investors who wish to understand the earnings generated before investments in non-current assets.

Operating margin

Operating profit/Net sales

Operating profit is a measure that aims to show profitability in operating activities.

EBITDA margin

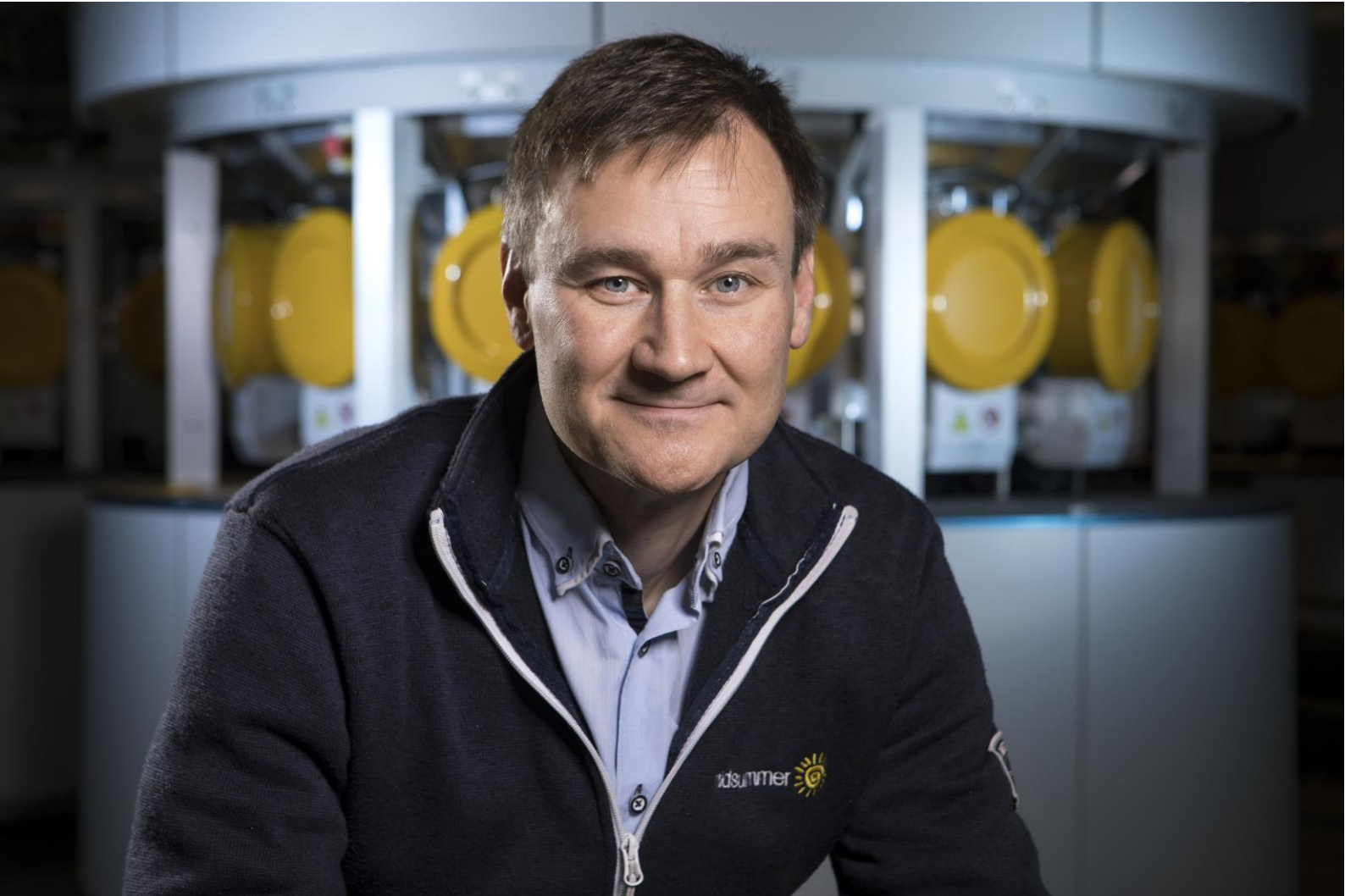
EBITDA/Net sales

EBITDA margin is a measure that the Group regards as relevant for investors who wish to understand the earnings generated in relation to sales before investments in non-current assets.

Equity/assets ratio

Equity in relation to total assets.

The equity/assets ratio is a key performance indicator that shows the proportion of the assets that are financed with equity and can be used as an indication of the company's long-term solvency.



Statement from the CEO

We are now changing the focus of our business from being a purely industrial company that develops and sells machines for the production of solar cells to becoming a consumer brand that produces and sells solar panels.

The third quarter paved the way for this change as we carried out extensive strategy work and reorganization within the company. We have reduced our workforce by 20 employees, while making new investments and recruitments that reflect our new business strategy.

New issue oversubscribed

We decided to raise capital to support our expansion and development by carrying out a new rights issue totaling SEK 250 million. This issue was oversubscribed and we received a lot of support from existing institutions and new active shareholders. Small savers also showed a lot of interest.

We are also in the process of submitting an application for a startup grant from Invitalia, the Italian agency for international startups in Italy.

This will allow us to adopt an even more long-term approach and invest in building up the market.

Upscaling

The world is currently in the middle of its worst pandemic for 100 years. There is also an increasing amount of focus on climate action around the world. These are two global trends that benefit us. We are spending much more time at home and investing in our properties. There has also been an upward trend in being self-sufficient and independent, not only locally, but also nationally and within the EU, the USA and other large regions.

Midsummer offers solar panels that boast a discrete design for all roofs. These solar panels are produced in Sweden with a 90% lower carbon footprint than conventional solar panels. The key to this is the production equipment that we have developed ourselves, which is a world leader in thin-film solar cells. We are now focusing completely on our own sales of solar panels and upscaling our own production. Our plans for the coming years include both upscaling the production of solar panels at our factory in Järfälla in Sweden, and the large-scale production at our new factory in Bari in southern Italy. We acquired premises for this factory last week.

New market

Our building-integrated photovoltaics (BIPV) market is a brand new market that many people consider to be a niche market. We will make sure that this niche market becomes the norm. It is going to take time to gain a foothold on the market, just as it did for the electric car, but when customers realize the benefits of our technology, which include the lowest carbon footprint on the market, I am convinced that the choice will be simple.

The perfect time for solar panels

It is the perfect time for our solar panels. This is clear by the number of orders we are receiving for our SLIM, WAVE and BOLD solar panels. Our digital marketing has generated many leads, while our social media campaigns were extremely successful in the autumn, resulting in many new enquiries.

We also saw our largest ever order for Midsummer BOLD this autumn. The installation will be completed in April, when our panels will appear on the roof of an industrial property. Midsummer BOLD is perfect for this.

Sales of our solar panels are continuing to increase and several new installations were completed during the last quarter.



Sven Lindström, CEO, Midsummer AB

The development of earnings and financial position in the first three quarters and Q3 2020

Sales and earnings

Net sales for the Group for the first three quarters of 2020 stood at TSEK 65,988 (TSEK 155,630 for the first three quarters of 2019). Net sales for the third quarter of 2020 amounted to TSEK 3,477 (TSEK 22,274 for the third quarter of 2019).

Revenues from Group contributions were TSEK 1,264 in the first three quarters of 2020 (TSEK 2,770 for the first three quarters of 2019). The company was also awarded compensation of TSEK 3,224 in a judgement in the second quarter following non-delivery from a subcontractor. The compensation from this dispute is recognized as part of other operating income.

Operating profit for the Group for the first three quarters of 2020 was TSEK -41,117 (TSEK -7,082 for the first three quarters of 2019), and operating profit for the third quarter was TSEK -32,839 (TSEK -18,065 for the third quarter of 2019). Profit before tax ended at TSEK -54,030 for the first three quarters of 2020 (TSEK -14,365 for the first three quarters of 2019). Profit before tax for the third quarter of 2020 was TSEK -37,104 (TSEK -21,713 for the third quarter of 2019).

The Swedish krona continued to strengthen against the US dollar in the third quarter, resulting in a foreign exchange loss of TSEK -5,873 for contract assets. The cumulative effect of the foreign exchange loss for the first three quarters of 2020 amounted to TSEK -5,039.

There were no new machinery sales in the third quarter, which, along with the fact that we are building fewer machines where we can apply the percentage-of-completion method, resulted in much worse profit figures for this period. Due to the coronavirus pandemic, it is impossible to travel to the countries and regions where the company has historically sold DUO machines. It is also impossible for potential customers to visit the company for demonstrations of how our production machines manufacture solar cells and solar panels. It has been historically very difficult to secure DUO deals without these physical meetings either at the company's facilities or at the customer's premises. China has basically been closed for inbound travel since the start of 2020 and as Europe is now experiencing a second wave of the coronavirus, we believe that there is a high risk of additional travel restrictions within Europe. Travel to China also seems improbable until the late spring, when hopefully the second wave will be coming to an end and a vaccine will have been developed.

The delivery problems, primarily from China, that had a negative impact on our solar panel production in April and May have now been resolved and we did not report any problems with material deliveries in Q3. The sale of solar panels in the summer was mostly restricted by our installation capacity. A lot of work was carried out in Q3 to expand our installation capacity both internally and with external partners.

Midsummer has not received any coronavirus-related support from authorities, except for compensation for high sick pay costs and a reduction in social security contributions.

For the first three quarters of 2020 this meant that the parent company recorded an operating profit of TSEK -38,814 (TSEK -52,805 for the first three quarters of 2019). In the third quarter of 2020 operating profit for the parent company was TSEK -25,943 (TSEK -28,069 for the second quarter of 2019). Net sales for the parent company for the first three quarters of 2020 amounted to TSEK 46,791 (TSEK 36,806). The reason for the improvement in the parent company's profit and sales is because we have increased the sales of our solar panels during the year and new DUO machine sales were higher than the same period in 2019. For the parent company we apply the completed contract

method for revenue recognition, where we receive revenue for new sales (the process) and revenue when we ship the products (the machine), but nothing in between.

Cash flow and financing

In the first three quarters of 2020 cash flow was TSEK -84,098 (TSEK +86,737 for the first three quarters of 2019). Cash and cash equivalents amounted to TSEK 27,635 at the end of the third quarter.

In the third quarter the company carried out a directed new share issue totaling TSEK 30,450. The company also announced a rights issue totaling TSEK 253,516, which was carried out in the fourth quarter of 2020. The reason for these two issues was to finance the company's expansion of its production capacity by producing solar panels in Italy.

Inventories in the Group increased in the first three quarters of 2020 from TSEK 23,732 to TSEK 32,143 (TSEK 19,954 at the end of the third quarter of 2019). Contract assets increased in the first three quarters of 2020 from TSEK 115,145 to TSEK 141,485 (TSEK 107,515 at the end of the third quarter of 2019).

The coronavirus pandemic makes it impossible to travel between the countries and regions where our customers are located and Sweden. This also makes it very difficult for us to carry out acceptance tests and install the DUO machines we have already sold. We currently have six finished machines in our clean room in Järfälla, Sweden, which are waiting to be accepted and then shipped and installed at our customers' premises. Customers have the right to take part in the acceptance tests, and as we are currently unable to start installation at our customers' premises, we have agreed to postpone acceptance tests until the coronavirus restrictions have been lifted. However, this means that we cannot ask for the payments that fall due following an approved acceptance test, which explains why our contract assets continue to be relatively high. Our assessment is for our contract assets to fall quickly next year when the coronavirus restrictions will hopefully have been lifted.

Investments

The new production line and the new research center were completed in 2019, which means that we did not need to make any major investments at Järfälla in the first three quarters of 2020.

The total investments in property, plant and equipment in the first three quarters of 2020 amounted to TSEK 1,688 (TSEK 12,912 for the first three quarters of 2019).

This information also applies to the parent company.

Significant risks and uncertainties

Market risks

Midsummer operates in a global market that has several companies offering various technologies. Midsummer has a competitive product, but there is a risk that the market will prefer technologies from Midsummer's competitors. In addition, the customers' investment decisions are affected by market factors, such as the general economic climate, trade tariffs and subsidies. A fall in demand for Midsummer's products would have a negative impact on the company's revenue and profitability.

COVID-19

The outbreak of Covid-19 has and will continue to have a major impact on the societies and markets where the company operates or where the company has suppliers, customers and/or collaborations.

The ongoing pandemic also affects our ability to visit customers outside of Sweden's borders. As 100% of our machine sales have been exported so far, it means that the ability for us to sell DUO machines is extremely limited while the current lockdowns and travel restrictions remain. The travel restrictions also affect us because our customers that have already ordered our DUO machines are not able to travel to Sweden to take part in the acceptance tests that we always perform on our DUO machines before we ship them. At the moment we are also not able to send installation and service engineers from Sweden to China unless they are Chinese citizens. There is uncertainty as to when foreign citizens will be able to obtain an entry permit and a visa to travel into China again. To manage the risks associated with travel restrictions, Midsummer currently has Chinese citizens employed both in Sweden and Hong Kong, and we have also trained our customers' staff in China.

In 2019 we supplied all of the solar panels for our Swedish solar cell installations from our factory in Järfälla. So far we have not seen any signs of a drop in demand for our solar roofs, but there are market risks associated with Europe entering into a recession and these risks are difficult to assess at this point in time.

Technological and product development

Midsummer's market is characterized by constant technological development. Companies often carry out this kind of development in secret, making it difficult to predict which products could be launched. Although this is a large and global market, new, revolutionary products could affect demand on the market. A fall in demand for Midsummer's products would have a negative impact on the company's revenue and profitability.

Dependency on intermediate goods and raw materials

Midsummer is dependent on a number of important intermediate products, technical components and raw materials that are essential for production. None of these materials are particularly rare or impossible to source from different suppliers or geographic regions. However, there are situations where the delivery of various materials is affected by political decisions, trade restrictions, increased duties or taxes, natural catastrophes or other extraordinary situations. Consequently, production volumes and delivery times can be affected or deliveries and production can be halted completely. This would have a negative impact on the company's activities.

This information also applies to the parent company.

Transactions with associates

Two machines from an order in December 2018 from Sunflare Inc will be installed at Sunflare's new factory in China, when we and they judge that this is possible given the current situation surrounding coronavirus. Sunflare is owned by Liang Gao, who is also a Board member of Midsummer.

This information also applies to the parent company.

Ownership structure as at 30 September 2020

Liang Gao	6,305,450	18.65%
Philip Gao	6,305,400	18.65%
Infologix (BVI) Ltd.	2,947,053	8.72%
Jan Lombach, privately and via companies	1,763,990	5.22%
Skandia fonder	1,323,609	3.92%
Länsförsäkringar fonder	1,129,792	3.34%
Sven Lindström	1,037,345	3.07%
Alf Linder	963,900	2.85%
5863-5 VPC-Gruppen	871,904	2.58%
Nordea Nordic Small Cap	778,179	2.30%
Eric Jaremalm	662,732	1.96%
Monitor ERP AB	600,950	1.78%
Blue AB	429,000	1.27%
Avanza Pension	387,754	1.15%
Alex Witt	332,900	0.98%
Other shareholders (4,806)	7,962,242	23.56%
Total number of shares	33,802,200	100.00%

Condensed consolidated statement of income and other comprehensive income

SEK	Note	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019
Net sales	3	65,988,424	155,629,767	3,477,394	22,273,743
Other operating income		7,969,359	2,769,772	2,343,106	664,737
		73,957,783	158,399,539	5,820,500	22,938,480
Own work capitalized		17,392,032	10,012,616	5,328,830	3,139,446
Raw materials and consumables		-30,057,019	-93,556,827	-5,510,022	-11,133,179
Other external expenses		-12,261,709	-12,132,175	-4,023,979	-6,066,928
Staff expenses		-52,950,162	-49,640,700	-16,409,884	-19,647,889
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-26,278,297	-20,147,543	-8,816,554	-7,295,389
Other operating expenses		-10,919,697	-16,509	-9,227,914	-
Operating profit		-41,117,068	-7,081,598	-32,839,024	-18,065,459
Financial income		719,340	1,910,675	94,223	810,152
Financial expenses		-13,632,287	-9,194,523	-4,358,751	-4,457,781
Net financial items		-12,912,948	-7,283,848	-4,264,528	-3,647,629
Profit before tax		-54,030,016	-14,365,445	-37,103,553	-21,713,088
Tax		-	-4,842,713	-	-3,520,890
Profit for the period		-54,030,016	-19,208,158	-37,103,553	-25,233,978
Other comprehensive income					
Other comprehensive income for the period		-	-	-	-
Comprehensive income for the period		-54,030,016	-19,208,158	-37,103,553	-25,233,978
Profit for the period attributable to:					
- Owners of the parent		-54,030,016	-19,208,158	-37,103,553	-25,233,978
- Non-controlling interests		-	-	-	-
Earnings per share					
- before dilution (SEK)		-1.74	-0.62	-1.19	-0.82
- after dilution (SEK)		-1.74	-0.62	-1.19	-0.82
Number of outstanding shares at end of reporting period					
- before dilution		33,802,200	30,902,200	33,802,200	30,902,200
- after dilution		33,802,200	30,902,200	33,802,200	30,902,200
Average number of outstanding shares					
- before dilution		31,091,330	30,902,200	31,091,330	30,902,200
- after dilution		31,091,330	30,902,200	31,091,330	30,902,200

Condensed consolidated statement of financial position

SEK	Note	30 Sep 2020	31 Dec 2019
Assets			
Intangible assets		38,875,151	31,434,111
Property, plant and equipment		37,609,344	35,904,153
Right-of-use asset		10,187,822	25,203,873
Non-current receivables		40,000	40,000
Total non-current assets		86,712,317	92,582,137
Inventories		32,143,193	23,732,372
Tax assets		730,704	1,649,885
Accounts receivable		26,144,158	6,464,039
Contract assets		141,485,416	115,145,233
Prepayments and accrued income		2,885,018	977,248
Other receivables		1,279,868	89,966
Cash and cash equivalents		27,634,914	111,015,273
Total current assets		232,303,270	259,074,016
Total assets		319,015,587	351,656,153
Equity			
Share capital		1,352,088	1,236,088
Other paid-in capital		187,571,914	157,237,914
Retained earnings incl. profit/loss for the period		-112,232,720	-58,202,704
Equity attributable to owners of parent		76,691,282	100,271,298
Non-controlling interests		-	-
Total equity		76,691,282	100,271,298
Liabilities			
Non-current interest-bearing liabilities		208,526,466	213,774,497
Other provisions		541,667	1,484,375
Total non-current liabilities		209,068,133	215,258,872
Current interest-bearing liabilities		10,776,058	8,154,117
Trade payables		8,202,834	16,248,829
Contract liabilities		-	6,445
Other liabilities		3,423,487	2,153,735
Accruals and deferred income		10,853,794	9,562,857
Total current liabilities		33,256,172	36,125,982
Total liabilities		242,324,305	251,384,854
Total equity and liabilities		319,015,587	351,656,153

Condensed consolidated statement of changes in equity

Equity attributable to owners of parent

SEK	Share capital	Other paid-in capital	Retained earnings incl. profit/loss for the period	Total	Non-controlling interests	Total equity
Opening equity 1 Jan 2019	1,236,088	157,237,914	-17,910,863	140,563,139	-	140,563,139
Comprehensive income for the period						
Profit for the period			-19,208,158	-19,208,158	-	-19,208,158
Other comprehensive income for the period			-	-	-	-
Comprehensive income for the period			-19,208,158	-19,208,158	-	-19,208,158
Closing equity 30/09/2019	1,236,088	157,237,914	-37,119,021	121,354,981	-	121,354,981
Opening equity 1 Jan 2020	1,236,088	157,237,914	-58,202,704	100,271,298	-	100,271,298
Comprehensive income for the period	-	-	-	-	-	-
Profit for the period	-	-	-54,030,016	-54,030,016	-	-54,030,016
Other comprehensive income for the period	-	-	-	-	-	-
Comprehensive income for the period	-	-	-54,030,016	-54,030,016	-	-54,030,016
New issue	116,000	30,334,000	-	30,450,000	-	30,450,000
Closing equity 30/09/2020	1,352,088	187,571,914	-112,232,720	76,691,282	-	76,691,282

Condensed consolidated statement of cash flows

SEK	Note	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019
Operating activities					
Profit before tax		-54,030,016	-14,365,445	-37,103,553	-21,713,088
Adjustment for non-cash items		29,299,266	18,819,208	11,815,781	6,677,115
Income tax paid		-265,402	-202,593	-145,935	-85,386
Increase (-)/Decrease (+) in inventories		-8,410,821	50,464,351	-1,881,299	-8,742,299
Increase (-)/Decrease (+) in operating receivables		-49,748,933	-107,439,614	5,074,942	-18,422,393
Increase (+)/Decrease (-) in operating liabilities		-6,135,059	-15,406,153	-427,111	-1,364,882
Cash flow from operating activities		-89,290,965	-68,130,246	-22,667,175	-43,650,934
Investing activities					
Acquisition of property, plant and equipment		-1,687,508	-12,912,252	-896,615	-4,150,181
Acquisition of intangible assets		-17,598,626	-10,043,624	-5,371,831	-3,139,446
Cash flow from investing activities		-19,286,134	-22,955,876	-6,268,446	-7,289,627
Financing activities					
Share issue		30,450,000	-	30,450,000	-
Loans raised		-	200,000,000	-	-
Repayment of loans		-566,654	-18,723,364	-629,161	-
Repayment of leasing liabilities		-5,404,150	-3,453,190	-1,758,422	-930,821
Cash flow from financing activities		24,479,196	177,823,446	28,062,417	-930,821
Cash flow for the period		-84,097,903	86,737,324	-873,204	-51,871,382
Cash and cash equivalents at start of period		111,015,273	53,128,543	28,474,890	191,811,983
Exchange difference in cash and cash equivalents		717,545	354,245	33,228	279,511
Cash and cash equivalents at end of period		27,634,914	140,220,112	27,634,914	140,220,112

Condensed income statement for the parent company

SEK	Note	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019
Net sales		46,791,097	36,806,047	3,232,224	7,777,684
Change in goods in progress, finished goods and work in progress		23,146,804	15,021,270	2,994,834	3,174,974
Own work capitalized		17,392,032	10,012,616	5,922,070	3,139,446
Other operating income		7,520,238	2,769,772	2,343,106	664,737
		94,850,171	64,609,705	14,492,234	14,756,841
Raw materials and consumables		-40,146,897	-32,752,140	-8,287,936	-11,133,179
Other external expenses		-17,878,697	-21,453,129	-5,833,965	-7,039,335
Staff expenses		-52,950,162	-49,640,700	-16,409,884	-19,647,889
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-16,817,117	-13,552,365	-5,724,007	-5,005,210
Other operating expenses		-5,870,937	-16,509	-4,179,154	-
Operating profit		-38,813,638	-52,805,136	-25,942,711	-28,068,771
Profit from financial items					
Interest income and similar profit/loss items		717,545	2,203,138	94,223	1,102,615
Interest expense and similar profit/loss items		-13,417,322	-9,050,314	-4,298,977	-4,409,253
Profit after financial items		-51,513,416	-59,652,312	-30,147,466	-31,375,409
Profit before tax		-51,513,416	-59,652,312	-30,147,466	-31,375,409
Tax		-	-6,725,773	-	-11,328,421
Profit for the period		-51,513,416	-66,378,085	-30,147,466	-42,703,830

Condensed statement of income and comprehensive income for the parent company

SEK	Note	Jan-Sep 2020	Jan-Sep 2019	Jul-Sep 2020	Jul-Sep 2019
Profit for the period		-51,513,416	-66,378,085	-30,147,466	-42,703,830
Other comprehensive income		-	-	-	-
Comprehensive income for the period		-51,513,416	-66,378,085	-30,147,466	-42,703,830

Condensed balance sheet for the parent company

SEK	Note	30 Sep 2020	30 Sep 2019
Assets			
Non-current assets			
Intangible assets		38,875,151	31,604,850
Property, plant and equipment		30,932,128	22,284,187
Financial non-current assets			
- Interests in subsidiaries		153,730	50,000
- Other non-current receivables		40,000	40,000
Total financial non-current assets		193,730	90,000
Total non-current assets		70,001,009	53,979,037
Current assets			
Inventories, etc.		107,978,213	95,780,174
Current receivables			
- Accounts receivable		26,144,158	10,802,500
- Contract assets		47,489,975	8,406,983
- Tax assets		730,704	174,174
- Other receivables		1,279,868	3,068,871
- Prepayments and accrued income		1,239,521	1,407,839
Total current receivables		76,884,225	23,860,367
Cash and bank balances		27,481,184	140,170,112
Total current assets		212,343,622	259,810,653
Total assets		282,344,631	313,789,690

Condensed balance sheet for the parent company continues on next page.

Condensed balance sheet for the parent company continued

SEK	Note	30 Sep 2020	30 Sep 2019
Equity and liabilities			
Equity			
Restricted equity			
- Share capital		1,352,088	1,236,088
- Fund for development expenses		38,673,114	30,631,254
Non-restricted equity			
- Share premium reserve		187,571,914	157,237,914
- Retained earnings		-138,862,988	-56,042,943
- Profit for the period		-51,513,416	-66,378,085
Total equity		37,220,712	66,684,228
Provisions			
- Other provisions		541,667	937,500
Total provisions		541,667	937,500
Non-current liabilities			
- Bonds		200,000,000	200,000,000
- Liabilities to credit institutions		7,318,031	7,919,372
Total non-current liabilities		207,318,031	207,919,372
Current liabilities			
- Advances from customers		14,806,306	19,429,419
- Trade payables		8,202,834	8,854,268
- Other current liabilities		3,401,288	1,878,984
- Accruals and deferred income		10,853,794	8,085,921
Total current liabilities		37,264,221	38,248,591
Total equity and liabilities		282,344,631	313,789,690

Note 1 Accounting policies

This condensed consolidated interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions in the Swedish Annual Accounts Act. The interim report for the parent company has been prepared in accordance with Chapter 9, Interim Financial Reports, in the Swedish Annual Accounts Act. The same accounting policies and methods of computation have been applied for the Group and the parent company as in the most recent annual report.

Disclosures in accordance with IAS 34.16A appear in the financial statements and their accompanying notes, as well as in other sections of this interim report.

Note 2 Key estimates and assessments

The company management and the Board have discussed the development, choice and information regarding the Group's important accounting policies and estimates, as well as the application of these policies and estimates.

Listed below are some important accounting assessments and estimates.

Leases

The Group has leases for both vehicles and premises. When ascertaining the size of leasing liabilities and leasing assets, assessments are required to determine whether it is reasonably certain that the Group will use the extension options. When assessing whether it is reasonably certain that extension options will be used for the premises, the Group has taken into consideration its future growth, and based on this, it has determined how long it could use the current premises. As a result, the Group has determined that it is not reasonably certain that the Group will use its extension options. However, this is something that may change in the future and would then affect the size of the leasing liability and leasing asset.

Revenue recognition

Revenue is measured based on the consideration specified in the contract with the customer. The Group recognizes revenue when control over goods or services transfers to the customer. Assessments are required to determine the time when control is transferred, i.e. a point in time or a period of time. The Group has made the assessment that the contracts that the Group entered into up to 2018 do not meet the requirements for the performance obligations being met over a period of time, but at a point in time. For the contracts that were signed in 2019 and 2020, the Group assessed that some of these contracts meet the requirements, while others do not. Consequently, revenues from some contracts are recognized over a period of time and not at a point in time, while revenues from other contracts are recognized based on performance obligations being met at a point in time.

Note 3 Operating segments and revenue allocation

The Group's business is divided into operating segments based on the parts of the business monitored by the company's chief operating decision-maker. This is known as a management approach. The Group's internal reporting is structured so as to allow Group management to follow up on the operations in their entirety. Based on this internal reporting the Group has identified that the Group only has one segment.

Revenue streams

The Group generates revenue primarily from the sale of machinery for solar cell production, the process for solar cell production, the service of machinery and building-integrated solar panels. Currently the Group receives most of its revenue from the sale of machinery for solar cell production and the process for solar cell production, which is why only revenue from these is presented.

Breakdown of revenue from contracts with customers

The breakdown of revenue from contracts with customers into major product and service areas is summarized below.

Product/service area	Machinery for solar cell production and process for solar cell production		Other		Total	
	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Machinery for solar cell production	21,218,700	118,823,719	-	-	21,218,700	118,823,719
Process for solar cell production	31,873,458	22,413,321	-	-	31,873,458	22,413,321
Other	5,124,208	11,619,185	7,772,058	2,773,544	12,896,266	14,392,728
Total	58,216,367	152,856,225	7,772,058	2,773,544	65,988,424	155,629,768

The other sales in "Machinery for solar cell production and process for solar cell production" (SEK 5,124,208) are from the sale of service, support and spare parts. The other sales that are not part of "Machinery for solar cell production and process for solar cell production" are mostly (SEK 7,765,801) from the sale of solar panels and solar roofs.

Geographic areas

Group	SEK	Jan-Sep 2020	Jan-Sep 2019
Sweden		6,223,977	1,460,296
China/Hong Kong		33,804,985	153,467,334
EU		2,839,134	559,474
Russia		23,110,928	-
Other		9,400	142,665
Total		65,988,424	155,629,768

Revenue from external customers refers to individual countries using the country where the customer is based.

The Group's non-current assets are localized entirely in Sweden.

Information about major customers

Sales to Russia refer to Midsummer's sales under the framework agreement with Rusnano Group. Most of the sales in China go through Midsummer's distributor in Hong Kong, United Goal Development Ltd.

Note 4 Fair value of financial instruments

The carrying value of all financial assets and liabilities provide a reasonable approximation of fair value.

Future reporting dates

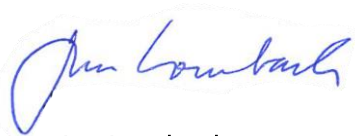
- Year-end report 2020 – 26 February 2021
- 2020 Annual Report – 15 April 2021
- Interim report for the first quarter of 2021 – 17 May 2021
- Annual General Meeting – 4 June 2021
- Interim report for the second quarter of 2021 – 31 August 2021
- Interim report for the third quarter of 2021 – 1 November 2021
- Year-end report 2021 – 25 February 2022

Certification

The Board of Directors and the Chief Executive Officer hereby certify that this interim report provides an accurate overview of the operations, position and earnings of the Group and the parent company and that it describes the material risks and uncertainties faced by the parent company and the Group companies.

Signatures/submission of the report

Stockholm 24 November 2020



Jan Lombach

Board Member



Eva Kristensson

Board Member



Liang Gao

Board Member



Philip Gao

Board Member



Sven Lindström

CEO/Board Member