ANNUAL REPORT 2022

Midsummer AB (publ)

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The Board of Directors and the CEO hereby present the

Annual Report for Midsummer AB (publ) 556665-7838

Financial year 1 Jan 2022 to 31 Dec 2022

Introduction

In 2022, the world has continued to be plagued by high electricity and energy prices in the wake of Russia's invasion of Ukraine and necessary changes in the energy mix. The demand for electricity is increasing with the electrification of the vehicle fleet and a transition to fossil-free production of more and more goods. At the same time, there is a drive to reduce dependence on fossil fuels. This equation only works with a radical expansion of renewable energy, with solar energy as an obvious and necessary ingredient.

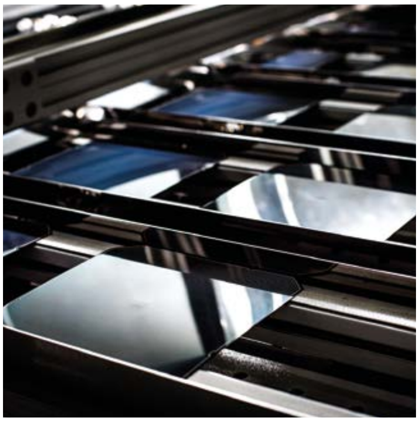
New this year are the increasingly ambitious, specific and in some cases binding programmes and regulations launched by the EU and others. The Union's Recovery and Resilience Facility has already been launched, totalling more than EUR 670 billion, and Midsummer has received a share of this through its investment in Italy. The ambition of the REPowerEU programme is to achieve 45 per cent renewable energy in the EU by 2030 – which is now just seven years away. The EU also wants to introduce or raise tariffs on products that are not considered to be environmentally friendly, to provide direct support for solar roof installations through the European Solar Rooftops Initiative, and to phase in laws requiring solar panels on new buildings.

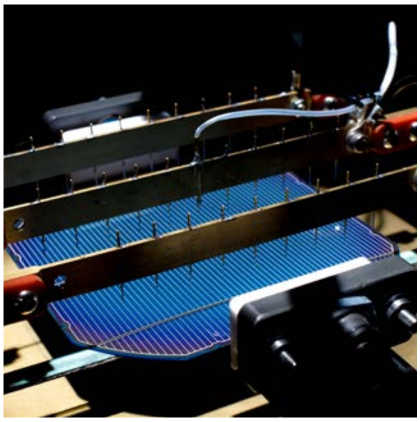
The European Parliament has voted in favour of an accelerated schedule for mandatory solar panels on buildings:

- By the end of 2026, all existing public and commercial buildings must have solar roofs
- By the end of 2028, all new residential buildings and car parks with roofs must have solar roofs
- By the end of 2032, all buildings being renovated must install solar roofs

Such programmes will radically and rapidly change the way Europe produces and consumes its energy. The EU says that 25 per cent of its energy could eventually come from the sun. The EU also wants to stop its dependency on imported solar panels, primarily from China, and build up a domestic industry for the production of solar cells.

Midsummer is well equipped for rapid expansion with a technologically proven product, an enhanced organisation that is perfectly sized for future growth, significant economies of scale, and a number of strong competitive advantages in its range of products:





Midsummer’s vision

With the most sustainable solar panel
we transform the conventional roof and accelerate
the transition towards renewable energy.

Contents

Midsummer in brief

Swedish innovation with sustainable manufacturing and attractive design

Midsummer manufactures and sells solar cells to stakeholders in construction, roofing and solar cell installation and manufactures, sells and installs solar cell roofs directly to end customers. The company also develops and sells equipment for the production of flexible thin-film solar cells to strategically selected partners and machines for research purposes to universities and research institutes.

The company was founded in 2004 and Midsummer owns the entire chain from the manufacturing equipment to the installed solar roofs. Manufacturing takes place in Sweden and will also start in Italy in 2023. These are CIGS solar cells that are thin, lightweight, flexible, discreet, easy to install and have a minimal carbon footprint compared to other solar panels.

Midsummer's technology and products are considered to be well-positioned to meet future needs and expectations on a market experiencing strong, global growth, at a time when aesthetics and a minimal carbon footprint are becoming increasingly important among discerning customers. Midsummer's subsidiary, Midsummer Italia, is completing a factory in Bari, which will become the largest producer of thin-film solar cells in Europe with a production capacity of 50 MW. The company's shares are registered on Nasdaq First North Premier Growth Market.

Notable events for the full year 2022

▶ Net sales for the Group for the period January to December 2022 stood at TSEK 53,376 (TSEK 94,406). Total sales including grants amounted to TSEK 155,642 (TSEK 111,401). Operating profit for the Group was TSEK -101,137 (TSEK -111,001) and earnings per share for the full year amounted to SEK -1.42/share (SEK -2.18/share), both before and after dilution.

▶ Midsummer received a breakthrough order in the multi-dwelling unit market, with an order for solar roofs for 113 apartments in a new build in Lund that has an explicit focus on sustainability.

▶ Midsummer presented its first Sustainability Report.

▶ Midsummer strengthened its management team by recruiting a new Head of Sales, a new CFO, a new Head of Business Development, a new Head of HR and a new Head of Marketing to prepare for future expansion.

▶ Final delivery, approved acceptance test and final payment of the UNO research machine to the University of New South Wales in Australia, the world's leading solar power research institute.

▶ Midsummer changed its business model to focus more on selling solar panels via distributors for roofing material manufacturers and solar cell installers. Midsummer signed about a dozen significant letters of intent with more Swedish and international roofing material manufacturers, building manufacturers and solar cell installers for deliveries of solar cells, corresponding to more than 700 MW over the next three to six years.

▶ Midsummer carried out a directed new share issue worth more than MSEK 20 to Murel, a Turkish industrial group, in order to create a long-term strategic partnership for production and sales, and to finance an expansion of the production capacity in Sweden.

▶ Invitalia, Italy's national investment agency, and Midsummer came to an agreement on the final terms and conditions for the payment of grants, worth the equivalent of approximately MSEK 240, which Midsummer was awarded for its investment in the large-scale production of thin-film solar cells in Bari, Italy.

▶ At the end of the year, Midsummer will be announcing its plans to attract funding in the form of a new share issue for continued expansion, including a new factory in Sweden.

Slim installation on an apartment block in Lund, Sweden.

Midsummer's new factory in Bari.

Midsummer's sustainability report.

Key performance indicators

TSEK	Jan.-Dec. 2022	Jan.-Dec. 2021
Net sales	53 376	94 406
Operating profit	-101 137	-111 001
EBITDA	-66 788	-72 775
Profit before tax	-97 027	-130 231
Comprehensive income for the period	-77 531	-129 294
Operating margin	Negative	Negative
EBITDA margin	Negative	Negative
Equity/assets ratio	38,0%	51,5%
Cash flow for the period	-157 696	-59 762
Earnings by share		
-before and after dilution (SEK)	-1,42	-2,18

DEFINITIONS AND DESCRIPTIONS OF ALTERNATIVE 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.

Operating profit
Operating profit is profit before net financial items and taxes.
Operating profit is a measure that aims to show profitability in operating activities.

EBITDA
Operating profit before depreciation/amortisation 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 margin is a measure that aims to show the profitability ratio in operating activities.

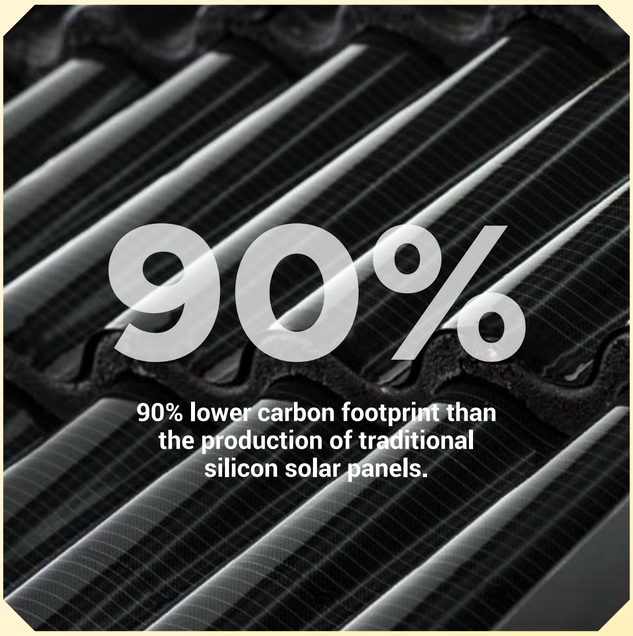
EBITDA margin
EBITDA/Net sales
EBITDA margin is a measure that the Group regards as relevant for investors who wish to understand the earnings generated in relation to sales before investments in non-current assets.

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.

New orders
The value of orders received and changes to existing orders during the current period.

Order book
The value of existing orders at the end of the current period.

The year in brief



90%

90% lower carbon footprint than the production of traditional silicon solar panels.

113

Solar roofs for 113 sustainable apartments in Lund.

700 MW

About a dozen major letters of intent signed for deliveries of solar cells corresponding to more than 700 MW in the coming years.

Five new managers.

- **New business model:** from the sale and installation of solar roofs directly at the end customer to the sale of solar panels via resellers of roofing material manufacturers and solar cell installers
- **Decision to fund** increased production capacity to meet high demand

CEO has the floor

We are facing a record year for solar energy globally and a real boom for solar energy. Certainly, this has been predicted before, but the stakes are raised considerably as the EU throws everything it has and then some into rapidly achieving energy independence and a fossil-free future. The Recovery and Resilience Fund has a huge EUR 670 billion to spend. and the REPowerEU programme has an ambition to achieve 45 per cent renewable energy in the EU by 2030.

Targets and ambitions are rapidly being replaced by specific actions and mandatory requirements, including the requirement for new and eventually existing buildings to have solar panels on their roofs. We are facing a future where having solar roofs in homes and offices is as natural as having a toilet, kitchen or Internet connection.

Perhaps more importantly, these much loftier continental ambitions are mirrored by nations, regions, municipalities, businesses and private households all over Europe and the world. As one of many examples, more and more Swedish municipalities are now requiring solar panels on municipal buildings, and that is a lot of properties. It is difficult to overestimate the importance and impact of these large and small initiatives even in the short term.

From below, there is a huge pent-up desire for energy independence, cheaper electricity and a more sustainable lifestyle. Authorities and politicians do not need to push solar panels on citizens and businesses – the demand is already there.

For Midsummer, the single most important event in 2022 was the many letters of intent we signed at the end of the year with Swedish and international stakeholders working in roofing, construction and solar cell installation. This involves the delivery of more than 700 MW of solar cells over the next two to six years, which is proof of how strong the demand is for solar panels in general, and specifically for our attractive products. Compare this to the 800 MW installed across Sweden, by all stakeholders, in the full year 2022 (which in turn was twice the level of the previous year).

This was accompanied by the shift in strategy from supplying and installing solar roofs to end customers to partnering with larger stakeholders, with significantly greater installation capacity, with whom we have concluded supply agreements. This is the only way in which we can quickly scale up from being a relatively local niche supplier of premium solar panels to becoming Europe's leading manufacturer of thin-film solar cells, which is our ambition.

Now increasing production capacity is our primary focus. The two MW of solar cells we produce at our head office in Järfälla will be doubled to four. Our new factory in Bari, Italy, with a production capacity of 50 MW, will start production in 2023. And we are looking at opening a factory in Sweden for initial production of 20 MW with a possible scale-up to 200 MW.

2023 is set to be exciting.

Sven Lindström
CEO of energy company Midsummer

“We are facing a future where having solar roofs in homes and offices is as natural as having a toilet, kitchen or Internet connection.”

Midsummer's products

Midsummer supplies the market with unique products that challenge the assumptions of conventional roofs and traditional solar panels. Our product portfolio includes solar roofs and solar panels that are suitable for new builds, for replacing entire roofs and for retrofitting onto existing roofs. Midsummer's solar roofs and solar panels are discreet and have the market's lowest carbon footprint by far, and they are also the most sustainable way to produce electricity today. Our solar roofs are sold to private and commercial property owners, and our solar panels also to solar installation, roofing and construction industry stakeholders who will offer them to their customers, in some cases with special adaptations.

Midsummer SLIM

SLIM offers the customer a discreet and elegant solar roof in folded sheet metal which is sold as a complete replacement roof: this is cost-effective, safe and convenient. The sheet metal for SLIM has the same width as the solar panel to maximise the installed power and to create an aesthetically attractive design with better wind properties than competing products. Midsummer SLIM is the smart combination of thin solar panels and a classic folded sheet metal roof, resulting in a discreet solar roof.

Midsummer WAVE

WAVE is the first solar panel in the world that has been adapted for roof tiles. It can be retrofitted onto existing roofs or sold as a complete replacement roof. WAVE follows the contours of the roof tiles and provides a beautiful and discreet solar roof that is neither visible nor disruptive. The wave design of the solar panel preserves the original design of the roof, making it easier to install than traditional methods. The product is developed to fit Sweden's most popular roof tiles. The panel is five roof tiles wide and the wiring is hidden under the roof battens for both protection and aesthetics.

Midsummer BOLD

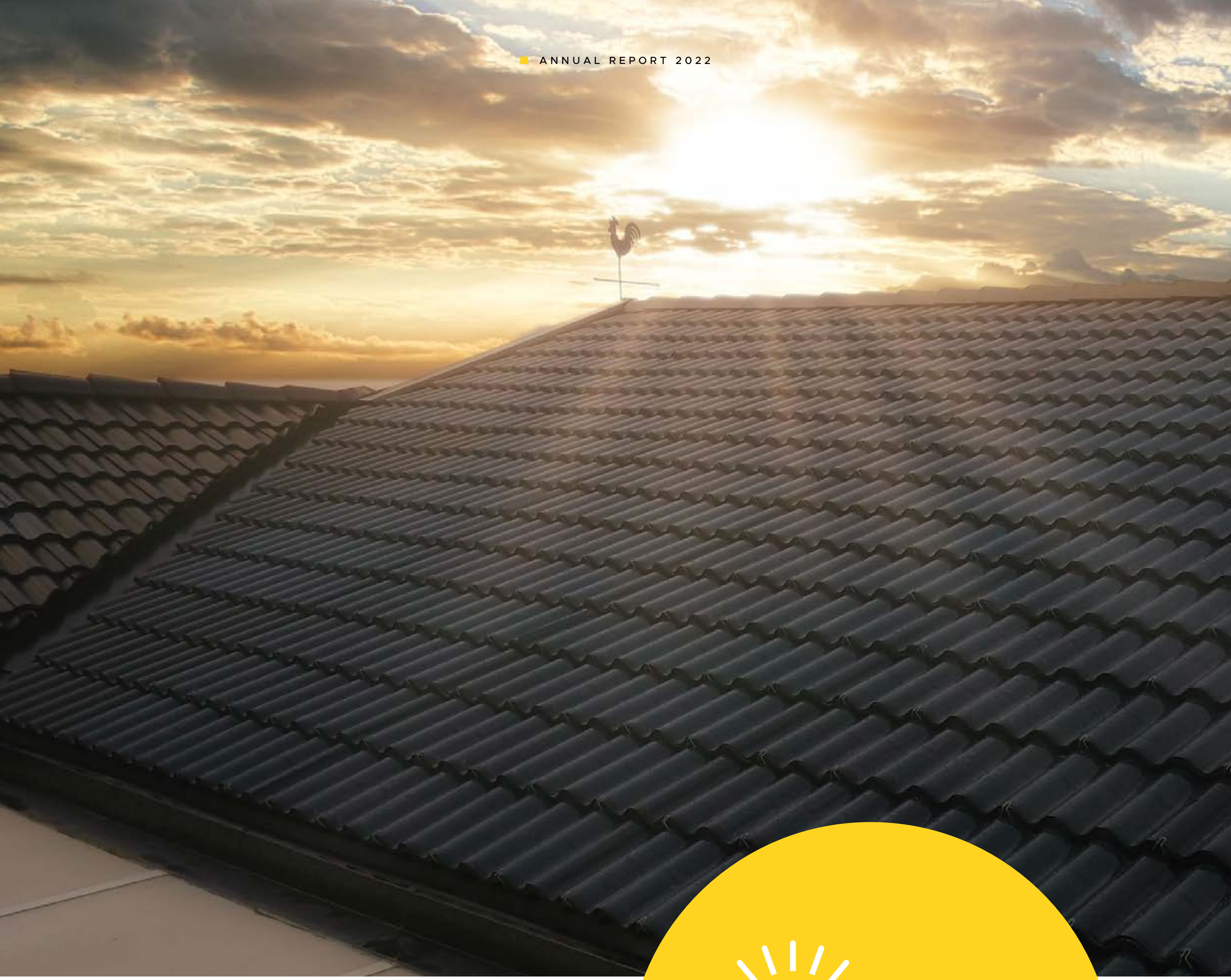
BOLD is an ultra-light, flexible solar panel that is integrated into cardboard and membrane roofs and can be retrofitted onto existing roofs or sold as a complete replacement roof. The advantages of BOLD mainly include the low weight of the panels and the fact that the panels are installed without drilling holes in the waterproofing layer, which makes this the only alternative for roofs with weight restrictions. It also prevents damage to the roof caused by UV light, which extends the service life of the roof. BOLD is Midsummer's top product for the commercial market and is suitable for installations on larger roof surfaces in industrial buildings, warehouses and sports halls, for example, but also apartment buildings and private homes.

Midsummer UNO

Midsummer UNO is a generic tool used for world-leading solar cell research at universities and other applications. Results from UNO can be implemented for commercial production in DUO. It can also be used for a number of other sputtering-based research projects requiring an unbroken vacuum chain, such as fuel cells, thin-film batteries and small displays.

Midsummer DUO

Midsummer DUO is a ready-made production system for the mass production of durable, flexible and cadmium-free thin-film solar cells (CIGS) with a minimal CO2 footprint. With a compact design aimed at high capacity, reliability and excellent materials utilisation, the unique DUO system has become the world's most widespread production system for flexible thin-film solar cells. Midsummer DUO is also available in an upgraded R&D version.

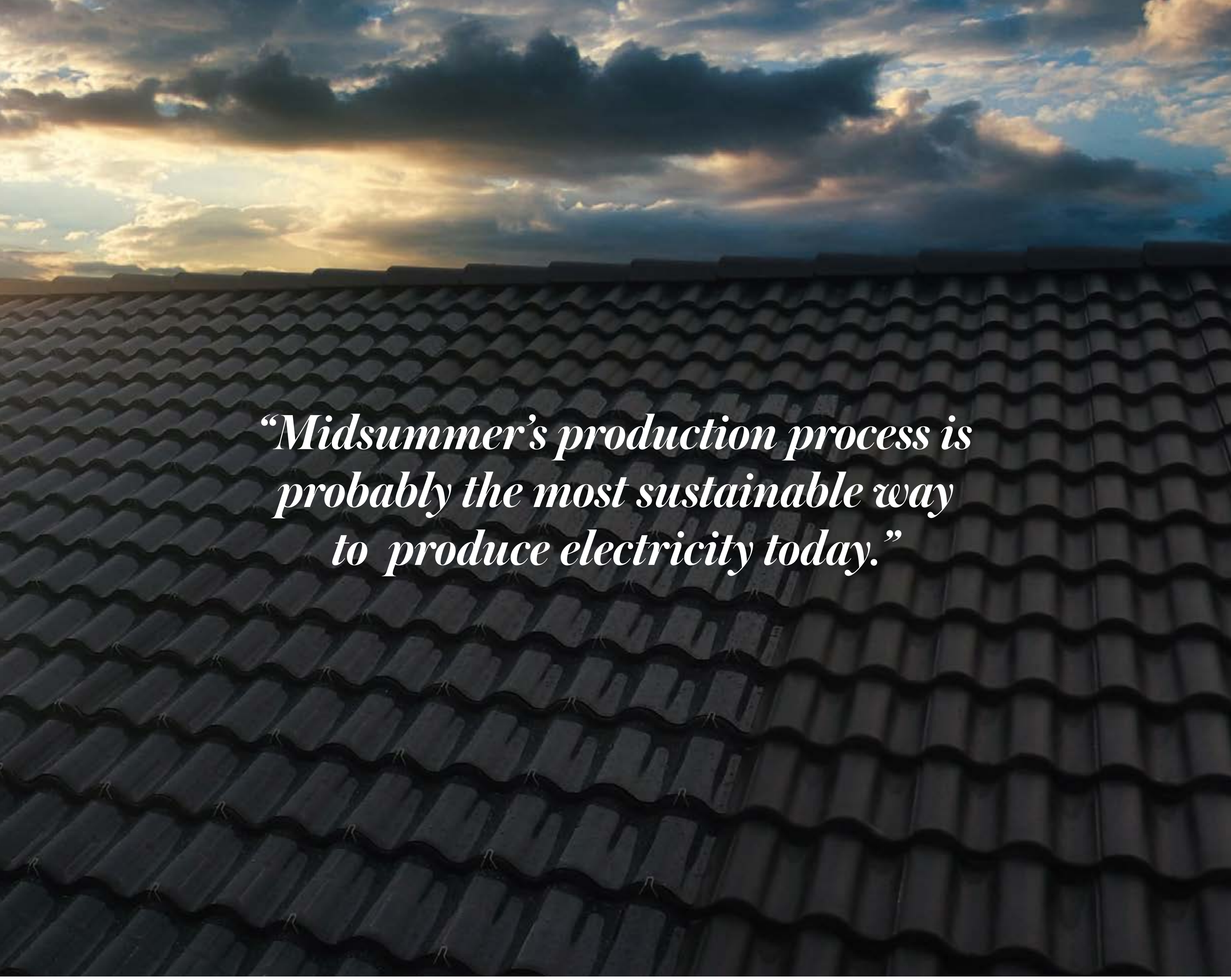


Environment and sustainability

The world's most environmentally friendly energy source?

Sustainability is at the very heart of Midsummer's existence and forms an intrinsic part of every section of its organisation. The combustion of fossil fuels and electricity production are two factors that contribute strongly to global climate change. Emissions of carbon dioxide into the atmosphere have increased steadily and almost doubled in the last 50 years. Robust action is needed to address this crisis and reduce carbon dioxide levels.

Both energy consumption and energy mix need to be addressed in order to reduce carbon dioxide emissions on a global and a local level. Midsummer works to accelerate the transition to renewable energy by offering a range of products that enable private individuals and commercial companies to generate solar energy. The products' unique properties (flexible, lightweight and discreet) enable solar roofs and solar panels to be installed at locations where it would otherwise be impossible to install traditional silicon-based solar cells due to weight restrictions or aesthetic reasons. Midsummer's panels also have a minimal carbon footprint compared with similar technologies.



Minimal carbon footprint

A holistic approach to a product's lifecycle is needed to compare carbon footprints. A lifecycle analysis is used to ascertain the net emissions of greenhouse gases across a product's entire life, including decommissioning and recycling. It is very important for any measures that are implemented to be effective and not increase CO2 emissions elsewhere.

A third-party reviewed lifecycle analysis found that Midsummer's production process has up to a 90 per cent lower carbon footprint than the production of traditional silicon solar panels. This is probably the most sustainable way to produce electricity today, with lower lifecycle emissions than other solar energy and even hydro and wind power.

The difference is due to the Midsummer production process, which uses less input material, less energy and a more climate-smart energy mix. In addition, Midsummer's production processes are completely free of cadmium, which is an environmentally hazardous substance used in several other production processes for solar cells, including thin-film CIGS solar cells.

Midsummer believes that the carbon footprint and energy payback are becoming increasingly important in the debate and from an investment perspective, both globally and locally. Manufacturing energy-intensive silicon panels using energy extracted from coal power is neither environmentally friendly nor ideal for curbing climate change. In the future solar cell suppliers will be judged increasingly on the climate impact of their production processes.

Research for the solar cells of the future

Midsummer is participating in several world-leading research and development projects in order to develop the solar cells of the future. With our unique proprietary technology, which includes the world's most widespread system for producing CIGS solar cells, we are an attractive partner for the world's most prominent researchers and institutes to develop new types of solar cells with better performance.

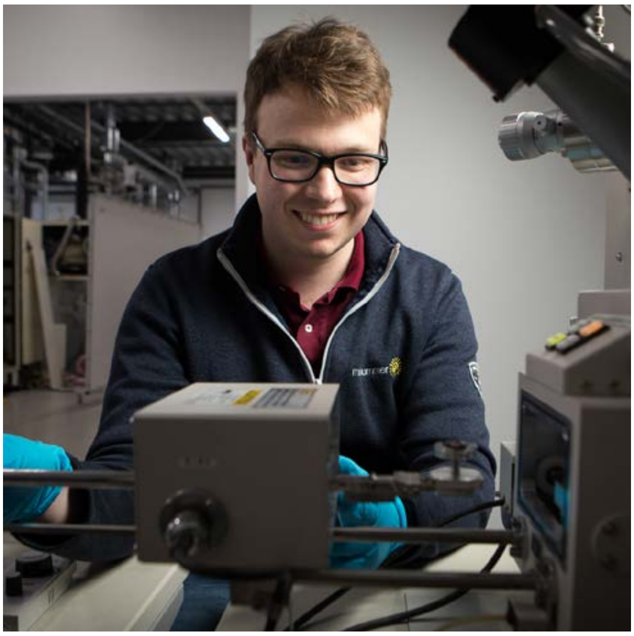
Professor Yang Yang, named one of the world's most influential scientists (Thomson Reuters), leads research into solar cells at the University of California, Los Angeles (UCLA). This is a project in which Midsummer is involved. The lab, named after him, has developed a 4-terminal perovskite/CIGS tandem solar cell.

As the name suggests, tandem solar cells combine two different types of complementary solar cell technologies that aim to radically increase the efficiency of solar cells, instead of the incremental improvements of existing technologies. Or more specifically: in what are known as tandem solar cells, different semiconductor materials are combined in the solar cell, each absorbing different areas of the solar spectrum.

This case involves a four-terminal device architecture consisting of a top layer of wide-bandgap perovskite cells and a bottom layer of CIGS cells (the type Midsummer is developing and commercialising). The goal is to develop a two-terminal perovskite CIGS cell that would be highly competitive and suitable for mass production.

The research is being done with CIGS from Midsummer's DUO production equipment. The perovskite solar cell is optimised for integration with the solar cells developed by Midsummer and used in the company's commercial range of BIPV products. The notion that future mass production of this type of tandem solar cell would be done with Midsummer's production system is not far-fetched.

In March 2023, Midsummer and UCLA announced the development of a perovskite/CIGS cell with 24.9 per cent efficiency, which echoed in the industry press worldwide. Today's mass-produced silicon panels have an efficiency of around 20 per cent, and for thin-film panels like CIGS (copper, indium, gallium, selenium) this figure is slightly lower. As well as higher efficiency, these tandem solar cells offer other advantages (lower weight and/or easier production).



“Midsummer is at the global technological forefront in the development of CIGS thin-film solar cells and the development of systems for their manufacture.”

Even “down under”

Another leading research institute that uses Midsummer’s machinery – in this case the UNO research machine – in its research into new solar cells is UNSW University in Sydney, Australia.

The UNSW School of Photovoltaic and Renewable Energy Engineering is one of the world’s leading solar energy research institutes. The project aims to develop a highly efficient and stable tandem solar cell using already commercialised technologies. The project is aiming to achieve solar panels with over 30 per cent efficiency.

In this case, tandem solar cells with silicon + CIGS are being developed. These are two mature, stable and proven technologies that have perhaps the best prospects for rapid commercialisation. Wide-bandgap CIGS cells, which can be manufactured on Midsummer’s machines, have demonstrated some of the highest efficiencies of potential peak cells to combine with silicon and have the advantage of a very long service life and already proven scalability in mass production.

Besides Midsummer and the university, this project involves the world’s three largest solar panel manufacturers. Since Midsummer’s DUO system already uses the same solar cell size as silicon solar cells, it will be a natural choice when the world’s largest solar cell company commercialises tandem solar cells of the silicon/CIGS type.

Midsummer is at the global technological forefront in the development of CIGS thin-film solar cells and the development of systems for their manufacture. We have always endeavoured to continue improving technology, preferably in cooperation with other stakeholders. This endeavour is in our DNA. We are a sought-after partner in the development of the solar cells and applications of the future, whether for solar-powered trucks (Scania and others, Sweden), floating solar parks (the Netherlands) or solar cells for space travel (Italy).

Directors' Report

Midsummer AB (publ.) 2022

The Board of Directors and CEO of Midsummer AB (publ), 556665–7838, hereby present the annual accounts and consolidated financial statements for the 2022 financial year.

(All amounts are rounded, so rounding differences may occur.)

OPERATIONS

Midsummer AB ("Midsummer", "the Company" or "the Group") has world-leading technology for the manufacture of solar roofs and solar panels, and production equipment for solar cells. In 2022 solar roofs were mostly sold on the Swedish market. Production equipment is exported, primarily to Asia and Europe. The Company's registered office is located in Stockholm, while solar roofs, solar panels and production machines are manufactured at Midsummer's facility in Järfälla, north of Stockholm. In 2021, the company received major investment funding from INVITALIA (Invest in Italy) to start production of solar roofs and solar panels at a new factory in Bari, southern Italy through its Italian subsidiary. The Italian start-up support is paid retrospectively once the Italian subsidiary has acknowledged receipt of the production equipment at the factory in Bari. No start-up support was paid for the full year 2022. The first payment from Invitalia was made in early April 2023 and amounted to approximately SEK 73 million.

Midsummer's vision is to transform the conventional roof with its most sustainable solar panel and accelerate the transition to renewable energy.

SALES AND EARNINGS

New orders

In 2022, the sales organisation started to be reshaped to work with major strategic customers. The focus was on signing Letter of Intents (LOI) with large roofing material suppliers and solar panel installers in Sweden and Europe. LOIs totalling 633 MW were signed in the fourth quarter of 2022, giving a combined volume of 708 MW in Letters of Intent from 13 different companies, with a total value of more than MEUR 600. The Group's new orders for the Solar Roofs product line for the full year 2022 amounted to TSEK 78,313 (TSEK 53,467), while the total order book for the Solar Roofs product line stood at TSEK 59,053 at the end of the fourth quarter (TSEK 26,704 as at 31 December 2021).

New orders for the Group for the Production Equipment product line for the full year 2022 amounted to TSEK 5,123 (TSEK 2,968), while the total order book for the Production Equipment product line stood at TSEK 56,147 at the end of the year (TSEK 53,689 as at 31 December 2021).

Net sales

Net sales for the Group in 2022 stood at TSEK 53,376 (TSEK 94,406).

Net sales for the Solar Roofs product line in 2022 amounted to TSEK 45,978 (TSEK 37,502).

Net sales in the Solar Roofs product line increased by 22 per cent for the full year 2022 compared with the previous year.

In 2022 we saw an increase in the sales of Midsummer WAVE and Midsummer BOLD, while the sales of Midsummer SLIM were restricted due to access to professional sheet-metal workers to carry out these installations. Sales of Midsummer WAVE and Midsummer BOLD were restricted by the company's production capacity. Although marketing costs fell in the second half of the year, the company achieved a new sales record for Solar Roofs in the final quarter of 2022 with net sales of more than MSEK 17.

In the autumn work started on shifting the focus of the company's sales organisation to working with major strategic customers in the following two segments: roofing material suppliers and solar panel installers.

Key Account Managers will join the sales department to look after these major customers (partners). This also means that a lot of installations will be handled by these partners and the sales of solar panels will comprise a higher proportion of total sales from the Solar Roofs product line. Some orders that are already in the order book will also be installed as part of these collaborations.

Consequently, historical figures for new orders and the order book will not be directly comparable with figures in the future, as a large proportion of the installations will be carried out by these partners.

Net sales for the Production Equipment product line in 2022 amounted to TSEK 7,398 (TSEK 56,904), which was much lower than the previous year. Instead of manufacturing machines for external customers, the company was fully focused on building machines for itself for the factory in Italy.

Total sales, including other operating income, increased by 40 per cent to TSEK 155,642 (TSEK 111,401). for the full year 2022 compared with the previous year. This was due to machines being produced for the company itself generating grant income from Invitalia, the Italian authority for investments on the Italian market.

Net sales for the parent company in 2022 stood at TSEK 401,779 (TSEK 145,440).

The significant difference in net sales between the Group and the parent company is due to the fact that the DUO machines are sold from the parent company to the subsidiary at the market price. Although this revenue is eliminated in the Group, it is still included in the net sales of the parent company; this explains why the profit for the parent company is much higher than the same period last year. The invoicing for this and delivery of machines was carried out in the first six months of the year, which means that the parent company shows large net sales of TSEK 401,779, where TSEK 349,654 derives from internal sales in the Invitalia project, which is eliminated in the consolidated figures. As the start-up support is paid to the Italian subsidiary, it does not appear in the parent company's figures.

Other operating income

Other operating income for the Group in 2022 comprised contributions amounting to TSEK 88,454 (TSEK 3,982) and exchange rate gains of TSEK 13,811 (TSEK 13,013).

Profit

Operating profit for the Group in 2022 was TSEK -93,077 (TSEK -111,001).

Profit before tax in 2022 ended at TSEK -88,967 (TSEK -130,231).

The improvement in the operating profit for the full year 2022 compared with the same period last year is mostly due to the fact that we have started to recognise the grant from the Italian government (referred to above) as revenue. The Italian start-up support is recognised as revenue based on the degree of completion of the project and in parallel with the project being expensed. Midsummer recognised TSEK 88,454 of the Italian grant as revenue for the full year 2022. The start-up support is paid to the subsidiary Midsummer Italia retrospectively once the production equipment has been delivered to the factory. Operating profit in the fourth quarter was impacted by non-recurring items related to the recalculated revenue recognition and expensing in the project. Net financial items and profit before tax for the fourth quarter were impacted by translating exchange rate gains attributable to the project.

Operating profit for the parent company in 2022 was TSEK 66,199 (TSEK -95,916).

The significant difference in net sales between the Group and the parent company is due to the fact that the DUO machines are sold from the parent company to the subsidiary at the market price. Although this revenue is eliminated in the Group, it is still included in the net sales of the parent company; this explains why the profit for the parent company is much higher than the same period last year. The invoicing for this and delivery of machines was carried out in the first six months of the year, which means that the parent company shows large net sales of TSEK 401,779, where TSEK 349,654 derives from internal sales in the Invitalia project, which is eliminated in the consolidated figures. As the start-up support is paid to the Italian subsidiary, it does not appear in the parent company's figures.

CASH FLOW AND FINANCING

Cash flow in 2022 amounted to TSEK -157,696 (TSEK -59,762). Cash and cash equivalents amounted to TSEK 2,389 at the end of 2022 (TSEK 159,161 at the end of 2021).

Total investments in machinery and buildings in 2022 for the Group amounted to TSEK 49,607 (TSEK 90,347). Most of these investments are for the new factory in Bari, which will be completed in 2023.

The worsened cash flow for the period is the result of factors such as lower sales of production equipment compared to the previous year, as DUO machines were produced for the company itself for delivery to the company's Italian factory in Bari. The Group's property, plant and equipment of TSEK 35,590, on the other hand, were reported net against contributions for corresponding amounts recognised as revenue, producing a positive impact on the cash flow. These amounts are not included in the income statement, and the posting only takes place in the balance sheet. There was also a share issue of TSEK 125,870 last year.

In the consolidated cash flow, the adjustment item has a negative value of TSEK -37,482. The adjustment item stems mostly from contributions recognised as revenue that have not yet been paid. The Italian start-up support is paid retrospectively once the Italian subsidiary has acknowledged receipt of the production equipment at the factory in Bari. No start-up support was paid for the full year 2022. The first payment from Invitalia was made in early April 2023 and amounted to approximately SEK 73 million. To bolster the cash flow, the company took out a bridge loan in August for MSEK 10 lasting until the end of February 2023, and in September it took out a longer-term loan of MSEK 10 with a term of three years. The company also optimised its inventory levels and postponed certain investments in order to further improve its cash flow until the grant was paid. As well as financing through grants and loans, the company's Board decided in the fourth quarter to see what industrial and strategic investors thought about a directed new share issue to finance the expansion of the company's production capacity and for its operating capital. On 22 December the company's Board decided on a directed new share issue of MSEK 20.4 to Murel, a Turkish family-owned company. This decision was conditional on the approval of an extraordinary general meeting, which was obtained on 24 January 2023. The funds for these shares were received at the end of January 2023. Through this targeted new share issue, the company secured a new strategic owner in Murel, a family-owned Turkish engineering and construction company that operates primarily in the energy sector, investing in, for example, renewable energy and the development of solar parks. Murel has around 300 employees and an annual turnover of approximately MUSD 75. Murel has expressed a long-term interest in Midsummer and plans to continue its financial support. Murel is also a potential customer for Midsummer and could purchase both flexible thin-film solar cells and equipment for manufacturing solar cells. Murel and its partner intend to support Midsummer in the long-term in line with the company's development and growth strategy. At the extraordinary general meeting, a resolution was made to authorise the Board to resolve on a targeted issue of convertible bonds of a maximum of MSEK 300 and an issue of shares of a maximum of 20 per cent of the company's registered share capital up until the general meeting in 2023.

THE COMPANY'S SHARE

The share is listed on Nasdaq First North Stockholm (MIDS, ISIN code: SE 0011281757) and its first day of trading was 21 June 2018.

In 2020 the Company changed its trading venue to Nasdaq First North Premier Growth Market with its first day of trading on 26 May 2020.

The share capital in Midsummer amounted to TSEK 2,710 as at 31 December 2022, distributed among 67,741,409 shares with a nominal value of SEK 0.04.

The share price at the end of 2022 was SEK 11.50, which meant that Midsummer's market capitalisation was TSEK 779,026.

OWNERSHIP STRUCTURE AS AT 31 DECEMBER 2022

Philip Gao	6,305,400	9.31%
H. Waldaeus AB	5,854,695	8.64%
Nordea Fonder	4,440,662	6.56%
Jan Lombach	3,653,975	5.39%
Liang Gao	3,405,450	5.03%
Brown Brothers Harriman & Co	3,142,575	4.64%
Infologix (BVI) Ltd.	3,037,293	4.48%
Avanza Pension	2,600,929	3.84%
Jörgen Persson	2,265,000	3.34%
Länsförsäkringar Fonder	1,811,127	2.67%
Other shareholders (12,097 shareholders)	31,224,303	46.09%
Total number of shares	**67,741,409**	**100.00%**

RESEARCH AND DEVELOPMENT OPERATIONS

Midsummer's research and development is focused on the main areas of cost reduction, streamlining the production process and customisation for different markets and applications. Research and development are represented across six different departments: Module Cost and Compliance, Process, Materials Development, Special Projects, Design and Software.

In 2022, Midsummer has started several collaborations in the future field of tandem solar cells, including with Professor Yang Yang at UCLA, the University of California, Los Angeles, where they are working on CIGS/perovskite tandem cells. These have shown an efficiency of 24.9% so far.

A project focused on silicon/CIGS tandem cells has been initiated together with UNSW, the University of New South Wales, and Professor Xiaojing Hao. In this project, the UNO machine supplied by Midsummer is a central platform, and it also includes some of the world's largest producers of silicon cells and panels.

Furthermore, Midsummer's products have undergone UL certification for the US market and passed the Broof(t2) fire rating, which is used for roofing materials.

A new, more efficient input management solution for the DUO system has been developed and put into operation, while reducing maintenance downtime.

Other significant events during the year include the certification of new, more cost-effective cell and module components, including new substrate steel and several combinations of input materials manufactured in-house, as well as the certification of new sizes of modules up to 1 metre wide and 4 metres long.

NOTABLE EVENTS DURING THE FINANCIAL YEAR

• Midsummer received a breakthrough order in the multi-dwelling unit market, with an order for solar roofs for 113 apartments in a new build in Lund that has an explicit focus on sustainability.

• Midsummer presented its first Sustainability Report.

• Midsummer strengthened its management team by recruiting a new CFO, a new Head of Business Development, a new Head of HR and a new Head of Marketing to prepare for future expansion.

• Final delivery, approved acceptance test and final payment of the UNO research machine to the University of New South Wales in Australia, the world's leading solar power research institute.

• Midsummer changed its business model to focus more on selling solar panels via distributors for roofing material manufacturers and solar cell installers. Midsummer signed about a dozen significant letters of intent with more Swedish and international roofing material manufacturers, building manufacturers and solar cell installers for deliveries of solar cells, corresponding to more than 700 MW over the next three to six years.

• Midsummer carried out a directed new share issue worth more than MSEK 20 to Murel, a Turkish industrial group, in order to create a long-term strategic partnership for production and sales, and to finance an expansion of the production capacity in Sweden.

• Invitalia, Italy's national investment agency, and Midsummer came to an agreement on the final terms and conditions for the payment of grants, worth the equivalent of approximately MSEK 240, which Midsummer was awarded for its investment in the large-scale production of thin-film solar cells in Bari, Italy.

• At the end of the year, Midsummer will be announcing its plans to attract funding in the form of a new share issue for continued expansion, including a new factory in Sweden.

FUTURE DEVELOPMENT

Midsummer continues to develop the market with a new generation of solar cells and solar panels for a more sustainable energy mix. Using local production in Sweden, producing minimal CO2 emissions and focusing on design, the customer is offered a completely unique product, compared with traditional silicon panels.

The demand for our products remains very high. In late 2022, several significant letters of intent were signed with industry leaders in roofing, construction and solar installation for future deliveries of hundreds of MW of solar cells. To achieve this, we want to increase our production in 2023 and 2024 from a relatively modest 2 MW per year at head office in Järfälla to an additional 50 MW in Italy and, in the longer term, 200 MW at a new Swedish factory. The Italian investment authority Invitalia has already disbursed around SEK 75 million of the promised SEK 240 million in support for the completion of our factory in Bari, which will start producing solar cells in 2023.

For this production leap, Midsummer is strengthening its finances with a rights issue and an extension of our green bond loan totalling hundreds of millions of SEK during the first half of 2023. This will strengthen our production capacity, meet working capital requirements for general operations and support the further development of the DUO production system.

INFORMATION ABOUT RISKS AND UNCERTAINTIES

Midsummer's business consists of the production and sale of solar panels and integrated solar roofs, and the development and manufacture of production equipment for the production of flexible thin-film solar cells. Midsummer's business is therefore associated with commercial and operational risks, legal and regulatory risks, and financial risks.

Commercial and operational risks

THE WAR IN UKRAINE AND SANCTIONS AGAINST RUSSIA

Russia's invasion of Ukraine still makes it extremely difficult to assess how the situation will develop. Midsummer will be analysing any consequences, but the Company currently only has low exposure to Russia and Ukraine. During the year, Midsummer first donated and then manufactured at cost price around 100 solar kits for Ukraine.

TECHNOLOGICAL CHANGES AND PRODUCT DEVELOPMENT

Technology is continually developing in the areas where the Company carries out its operations. There could be rapid technological developments in the kinds of solar cells and technologies that the Company has developed and is producing, and they could be completely replaced by more efficient technologies. The amount of success that the Company has in achieving a favourable market position in this respect will have a material impact on the Company's profit and financial position.

COMPETITION

There are several companies in the market for solar cells and production equipment that use similar or different technology. There is a risk that the market may prefer the competitors' products or that current competitors or other companies could develop new methods or concepts that are better received than the solutions offered by the Company. Companies normally carry out this kind of development work under strict secrecy, which is why it is difficult for the Company to predict or describe potential competing technology and products other than at a general level, using publicly available information about technical development in this area. This kind of development would impact the Company's profit.

There may be price competition from financially strong companies that use price reductions to quickly increase their market shares or establish themselves with similar products. This is particularly true of the solar cell sector as other technologies could prove more financially beneficial than the ones marketed by the Company. This kind of development would impact the Company's profit.

DEPENDENCY ON SUPPLIERS AND COOPERATION

Midsummer collaborates with a number of suppliers and partners that are important for the Company's manufacture of products and production equipment. If suppliers do not fulfil their commitments or are unable to deliver as a result of political decisions or similar events, this could have a negative impact on the Company's ability to maintain delivery reliability and profitability for the products it sells. This kind of development would impact the Company's profit.

DEPENDENCY ON INTERMEDIATE GOODS AND RAW MATERIALS

Midsummer is dependent on a number of 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, the Company's production volumes and delivery times could be affected, or deliveries and production could be halted completely. This kind of development would impact the Company's profit.

Legal and regulatory risks

RISKS RELATED TO INTELLECTUAL PROPERTY RIGHTS PROTECTION

There is a risk that the Company's current intellectual property rights protection and the assessment of the possibilities and need for additional intellectual property rights protection are insufficient. Claims may also be brought that the Company's business is encroaching on the intellectual property rights held by other companies. Defence of the Company's rights or remuneration to third parties for infringement and/or use of a third party's intellectual property rights could result in lower revenue or higher costs until the infringement is settled, the licensing fees paid or permission obtained to use the third party's intellectual property rights. Uncertainty as a result of patent lawsuits or other processes that have been started and are being carried out could have a material impact on the Company's profit and financial position.

DISPUTES

The Company may become involved in disputes within the framework of its normal operations, and there is a risk that it may be subject to claims regarding contract issues, product liability and alleged errors in deliveries of the Company's products. Such disputes and claims can be time-intensive and disrupt normal operations, could involve substantial amounts and significant costs. Furthermore, the outcome of complex disputes can be difficult to predict. As a result, serious disputes could have a material impact on the Company's operations, earnings and financial position.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Midsummer is exposed to financial risks in its operations and the financial risks are identified in accordance with the information in note 22.

SUSTAINABILITY DISCLOSURES

Midsummer has presented its first sustainability report (Impact Report) during the past year. This report describes how the company is working to enable a transition to a climate-positive world, and also how it is minimising its own impact on the climate and the environment.

Midsummer's sustainability work is based on a desire to reduce the amount of greenhouse gases by using the Company's products to achieve the world's most sustainable electricity production.

The minimum requirements for the organisation are set out in laws, ordinances and statutory requirements. The Company's policies include guidelines, routines, goals and activities to achieve efficiency and quality in the management of its work environment, gender equality and diversity.

This work involves continual improvements that are documented and reviewed annually. Midsummer works proactively and actively for a workplace free from discrimination that promotes our employees' health, job satisfaction and efficiency.

CORPORATE GOVERNANCE REPORT

Midsummer considers sound corporate governance to be an important foundation for achieving a trusting relationship with its shareholders and other important stakeholders. The Swedish Corporate Governance Code, which is applied by Midsummer, aims to create a good balance between the shareholders, the Board of Directors and senior management. Sensible corporate governance, with high standards for openness, reliability and ethical values, is a guiding principle for Midsummer.

Midsummer's green bond is listed on a regulated market (Nasdaq Stockholm Sustainable Bond List). The Company has therefore applied the Swedish Code of Corporate Governance since 2019. The code is based on the principle of "comply or explain". This means that the Company does not have to comply with every provision in the Code at all times, but may choose other solutions that are considered to better reflect the circumstances in an individual case, provided that the Company openly reports any deviation, describes the solution that was selected instead, and stipulates the reasons for this. The company chose to make such a deviation in 2022. According to the Code, the nomination committee must be appointed no later than six months before the general meeting, but since the company first wanted to carry out the directed new issue that took place in December 2022 and January 2023, to see whether it would affect the composition of the nomination committee, the work of appointing the nomination committee was postponed until the extraordinary general meeting on 24 January when the directed new issue was decided.

Visit the Company's website midsummer.se/ir/bolagsordning to view the Articles of Association in their entirety, the current version being adopted at the extraordinary general meeting on 24 January 2023.

The Board of Directors is the highest management body under the authority of the general meeting and continually assesses the financial situation of the Company and the Group. It is the responsibility of the Board to ensure that the Company's organisation is designed so that accounting, asset management and the Company's financial conditions are controlled in a satisfactory manner.

The Board has issued instructions for the CEO that stipulate that the CEO must report the Company's financial situation to the Board of Directors using extracts from the balance sheet and income statement, and presenting the Company's cash flow.

The Group's finance policy for managing financial risks has been designed by the Board of Directors and contains a framework of guidelines and rules in the form of policies and individual assessments of customers and transactions. The responsibility for the Group's financial transactions and risks are managed centrally by the Group's finance function, which is part of the parent company and run by the parent company's CFO. The overall goal of the finance function is to provide cost-effective financing and minimise the negative effects of market risks on the Group's earnings. The head of the central finance function reports continually to the Group's management team and Board of Directors.

There is no shareholding in the company that represents more than 10% of the voting rights for all shares in the company.

According to the Articles of Association, the name of the Company is Midsummer AB (publ) and the financial year is the calendar year, 1 January to 31 December. Visit the Company's website midsummer.se/ir/bolagsordning to view the Articles of Association in their entirety, with the current version being adopted by the 2018 Annual General Meeting.

There are no limits to the number of votes that each shareholder may cast at a general meeting.

The general meeting has not granted the Board any authorisation to decide that the Company will issue new shares or acquire its own shares.

There are no special circumstances that may affect the prospects for acquiring the Company via a public share offer.

PROPOSED APPROPRIATION OF THE COMPANY'S PROFIT OR LOSS

The following amounts in SEK are at the disposal of the Annual General Meeting:

Share premium reserve	530,036,665
Retained earnings	-344,075,319
Profit for the year	77,497,315
Total	**263,458,661**

The Board of Directors proposes that the company's unrestricted equity, including the share premium reserve:

be carried forward	-266,578,004
of which to the share premium reserve	530,036,665

For further information regarding the results and financial position, refer to the following income statements and balance sheets, with their accompanying notes.

Consolidated statement of income and other comprehensive income

TSEK	Note	2022-12-31	2021-12-31
Net sales	2,3	53 376	94 406
Other operating income	4	102 265	16 995
		155 642	**111 401**
Own work capitalised		20 134	24 867
Raw materials and consumables		-91 617	-91 968
Other external expenses	7	-52 051	-33 969
Staff expenses	6	-86 016	-78 118
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	11,12	-34 349	-38 226
Other operating expenses	5	-4 820	-4 988
Operating profit		**-93 077**	**-111 001**
Financial income	8	23 791	1 944
Financial expenses	8	-19 681	-21 174
Net financial items	**8**	**4 110**	**-19 230**
Profit before tax		**-88 967**	**-130 231**
Tax	9	1 132	719
Profit for the period		**-87 836**	**-129 512**
Other comprehensive income			
Other comprehensive income for the period		18 364	664
Comprehensive income for the period		**-69 471**	**-128 848**
Profit for the period attributable to:			
- Owners of the parent		-87 836	-129 512
Comprehensive income for the period attributable to:			
- Owners of the parent		-69 471	-128 848
Earnings per share			
- before and after dilution (SEK)	10	-1,30	-2,18
Number of outstanding shares at end of reporting period			
- before and after dilution (pcs)	10.16	67 741 409	67 741 409
Average number of outstanding shares			
- before and after dilution (pcs)	10.16	67 741 409	59 406 186

Consolidated financial position

TSEK	Note	2022-12-31	2021-12-31
Assets	**24**		
Intangible assets	11	54 332	53 249
Property, plant and equipment	12	145 387	142 186
Right-of-use asset	23	20 679	12 333
Non-current receivables	13	220	40
Total non-current assets		**220 618**	**207 808**
Inventories	14	20 471	30 384
Contract assets	2	73 921	66 661
Tax assets	9	2 833	1 537
Accounts receivable	21	16 041	22 782
Prepayments and accrued income	15	131 509	1 362
Other receivables	13	1 642	1 541
Cash and cash equivalents		2 389	159 161
Total current assets		**248 806**	**283 428**
Total assets		**469 424**	**491 236**
Equity	**16**		
Share capital		2 710	2 710
Other paid-in capital	30	530 037	530 037
Reserves in equity		18 588	224
Retained earningsincl. profit/loss for the period		-367 853	-280 015
Equity attributable to owners of parent		**183 482**	**252 956**
Total equity		**183 482**	**252 956**
Liabilities			
Non-current interest-bearing liabilities	17	10 000	202 770
Leasing liabilities	23	14 692	5 053
Other provisions	19	2 315	-
Total non-current liabilities		**27 007**	**207 823**
Current interest-bearing liabilities	17	215 215	1 367
Leasing liabilities	23	5 006	6 343
Trade payables		20 806	10 107
Contract liabilities	2	-	611
Tax liabilities		244	273
Other current liabilities		7 139	3 832
Accruals and deferred income	20	10 525	7 924
Total current liabilities		**258 935**	**30 457**
Total liabilities		**285 942**	**238 280**
Total equity and liabilities		**469 424**	**491 236**

Consolidated changes in equity – Group

Equity attributable to owners of parent

TSEK	Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total	Holdings without controlling influence	Total equity
Opening equity 1 Jan 2022	**2 710**	**530 037**	**224**	**-280 015**	**252 956**	**-**	**252 956**
Comprehensive income for the period							**0**
Profit for the period	-	-	-	-87 836	-87 836	-	-87 836
Other comprehensive income for the period	-	-	18 364	-	18 364	-	18 364
Comprehensive income for the period	**-**	**-**	**18 364**	**-87 836**	**-69 471**	**-**	**-69 471**
Closing equity 31 Dec 2022	**2 710**	**530 037**	**18 588**	**-367 851**	**183 482**	**-**	**183 482**

TSEK	Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit/loss for the period	Total	Holdings without controlling influence	Total equity
Opening equiy 1 Jan 2021	**2 367**	**404 510**	**-440**	**-150 504**	**255 933**	**-**	**255 933**
Comprehensive income for the period	-	-	-	-	-	-	-
Profit for the period	-	-	-	-129 512	-129 512	-	-129 512
Other comprehensive income for the period	-	-	664	-	664	-	664
Comprehensive income for the period	**-**	**-**	**-**	**-129 512**	**-128 848**	**-**	**-128 848**
New issue	343	125 527	-	-	125 870	-	125 870
Closing equity 31 Dec 2021	**2 710**	**530 037**	**224**	**-280 015**	**252 956**	**-**	**252 956**

Consolidated cash flow

TSEK	Note	2022-12-31	2021-12-31
Operating activities			
Profit for the period	26	-87 836	-129 512
Adjustment for non-cash items	26	-37 482	38 285
Income tax paid		-	-
Increase (–)/Decrease (+) in inventories		9 913	-3 892
Increase (–)/Decrease (+) in operating receivables		-1 929	54 563
Increase (+)/Decrease (–) in operating liabilities		15 967	-22 832
Cash flow from operating activities		-101 367	-63 388
Investing activities			
Acquisitions/sales net of property, plant and equipment		-49 607	-90 347
Acquisition of intangible assets		-20 195	-25 000
Cash flow from investing activities		-69 802	-115 347
Financing activities			
Share issue		-	125 870
Loans raised		20 000	-
Repayment of loans		-	-535
Repayment of leasing liabilities		-6 528	-6 363
Cash flow from financing activities		13 472	118 972
Cash flow for the period		-157 696	-59 763
Cash and cash equivalents at start of period		159 161	217 610
Exchange difference in cash and cash equivalents		924	1 313
Cash and cash equivalents at end of period		**2 389**	**159 161**

Income statement for the parent company

TSEK	Note	Jan.-Dec. 2022	Jan.-Dec. 2021
Net sales	2.3	401 779	145 440
Change in goods in progress, finished goods and work in progress		- 84 282	35 154
Own work capitalised		20 134	24 867
Other operating income	4	5 536	10 268
		343 167	**215 730**
Raw materials and consumables		- 89 772	- 165 932
Other external expenses	7	- 57 149	- 39 704
Staff expenses	6	- 82 536	- 76 013
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	11.12	- 27 691	- 26 430
Other operating expenses	5	- 19 821	- 3 567
Operating profit	**5, 6, 23**	**66 198**	**- 95 916**
		-	-
Profit from financial items		-	-
Interest income and similar profit/loss items	8	31 306	1 943
Interest expense and similar profit/loss items	8	- 20 007	- 20 836
Profit after financial expenses		**77 497**	**- 114 809**
		-	-
Profit before tax		**77 497**	**- 114 809**
Tax	9	-	-
Profit for the period		**77 497**	**- 114 809**

Statement of income and other comprehensive income for the parent company

TSEK	Note	Jan.-Dec. 2022	Jan.-Dec. 2021
Profit for the period		77 497	- 114 809
Other comprehensive income		-	-
Comprehensive income for the period		**77 497**	**- 114 809**

Balance sheet for the parent company

TSEK	Note	Jan–Dec 2022	Jan–Dec 2021
Assets			
Non-current assets			
Intangible assets	11	54 165	53 095
Property, plant and equipment	12	24 703	32 801
Financial non-current assets			
- Interests in subsidiaries	25	256 387	33 326
- Receivables at Group companies		191 226	-
- Other non-current receivables	13,22	220	40
Total financial non-current assets		**447 833**	**33 366**
Total non-current assets		**526 701**	**119 263**
Current assets			
Inventories, etc.	14	53 015	137 297
Current receivables			
- Accounts receivable	21	16 041	22 782
- Receivables at Group companies		242 166	-
- Contract assets	3	30 343	29 927
- Other receivables		990	1 458
- Prepayments and accrued income	15	2 590	2 598
Total current receivables		**292 131**	**56 766**
Cash and bank balances		2 212	155 573
Total current assets		**347 357**	**349 636**
Total assets		**874 058**	**468 898**

Balance sheet for the parent company continues on next page

Balance sheet for the parent company continued

TSEK		Jan–Dec 2022	Jan–Dec 2021
Equity and liabilities			
Equity			
Restricted equity			
- Share capital		2 710	2 710
- Fund for development expenses		53 627	54 273
Non-restricted equity			
- Share premium reserve		530 037	530 037
- Retained earnings		- 344 075	- 229 913
- Profit for the period		77 497	- 114 809
Total equity		**319 795**	**242 298**
Provisions			
- Other provisions	19	2 315	-
Total provisions		**2 315**	**-**
Non-current liabilities			
- Bonds		-	197 070
- Liabilities to credit institutions	18,22	10 000	5 700
Total non-current liabilities		**10 000**	**202 770**
Current liabilities			
- Liabilities to credit institutions		215 192	
- Advances from customers		-	611
- Trade payables		20 753	9 831
- Liabilities to Group companies		288 510	273
- Other liabilities		7 002	5 190
- Accruals and deferred income	20	10 491	7 924
Total current liabilities		**541 948**	**23 830**
Total equity and liabilities		**874 058**	**468 898**

Cash flow statement for the parent company (indirect method)

TSEK	Note 25	2022	2021
Operating activities			
Profit for the year		77 494	-114 808
Adjustment for non-cash items		29 411	12 064
Income tax paid		-	-
Increase (−)/Decrease (+) in inventories		83 954	-22 290
Increase (−)/Decrease (+) in operating receivables		-235 366	19 175
Increase (+)/Decrease (−) in operating liabilities		301 222	-31 399
Cash flow from operating activities		**256 715**	**-137 259**
Investing activities			
Acquisition of property, plant and equipment		-481	-5 914
Acquisition of intangible assets		-20 182	-24 997
Acquisition of financial non-current assets		-414 467	-17 555
Cash flow from investing activities		**-435 130**	**-48 466**
Financing activities			
Share issue		0	125 870
Repayment of loans		24 126	-535
Cash flow from financing activities		**24 126**	**125 335**
Cash flow for the year		**-154 286**	**-60 390**
Cash and cash equivalents at start of period		155 573	214 650
Exchange difference in cash and cash equivalents		924	1 313
Cash and cash equivalents at end of period		**2 211**	**155 573**
Total Cash and cash equivalents, 31 Dec 2022		2 211	155 573
Difference		**0**	**0**

Notes

Midsummer AB (publ.) 2022

Note 1 Significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1

Supplementary Accounting Rules for Corporate Groups has also been applied. The parent company applies the same accounting policies as the Group, except in the cases stated below under the "Parent company accounting policies" section.

Measurement bases applied in preparing the financial statements

Assets and liabilities are recognised at historic cost.

Functional currency and reporting currency

The parent company's functional currency is the Swedish krona, which is also the reporting currency for the parent company and the Group. This means that the financial statements are presented in Swedish krona.

Assessments and estimates in the financial statements

The preparation of these financial statements in conformity with IFRS requires company management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may diverge from these estimates and assessments. These estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which the change is made if the change only affects that period; or the period in which the change is made and future periods if the change affects both current and future periods.

Assessments made by company management when applying IFRS that have a significant impact on the financial statements and estimates that may lead to significant adjustments to the following year's financial statements are described in more detail in note 29.

Significant accounting policies applied

The following accounting policies have been applied consistently to all periods that are presented in the consolidated financial statements, except for those described below. The consolidated accounting policies have also been applied consistently by the Group's companies.

Changes in accounting policies caused by new or amended IFRS rules

Amendments to IFRS applicable from 1 January 2022 have had no material impact on the consolidated accounts.

New IFRS rules that have not yet begun to be applied

New and amended IFRS rules with future application are not expected to have any material impact on the Company's financial statements and have not been applied in advance in the preparation of these financial statements.

Classification, etc.

Non-current assets consist for the most part of amounts that are expected to be recovered or paid more than 12 months after the balance sheet date; while current assets consist for the most part of amounts that are expected to be recovered or paid 12 twelve months of the balance sheet date. Non-current liabilities consist for the most part of amounts for which Midsummer AB has, at the end of the reporting period, an unconditional right to choose to pay later than twelve months after the end of the reporting period. If Midsummer AB does not have this right at the end of the reporting period – or holds liabilities for trading or if a liability is expected to be settled within the normal business cycle – the liability amount is recognised as a current liability.

Operating segment reporting

An operating segment is a part of the Group that engages in business operations from which it may generate income and incur expenses and for which independent financial information is available. An operating segment's earnings are also monitored by the Company's chief operating decision-maker to assess its performance and to allocate resources to the operating segment. See note 3 for a further description of the classification and presentation of operating segments.

Consolidation policies and business combinations

Subsidiaries
Subsidiaries are companies that operate under the control of Midsummer AB. Control exists if Midsummer AB has influence over the object of investment, is exposed to or has rights to variable returns from its involvement, and can use its influence over the investment to affect returns. In assessing whether control exists, potential voting shares and whether de facto control exists are taken into account.

Subsidiaries are recognised in accordance with the acquisition method. This method means that an acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value on the date of acquisition of acquired identifiable assets and assumed liabilities as well as any non-controlling interests. Transaction expenses that are incurred are recognised directly in profit for the year, except for transaction expenses that are attributable to the issue of equity instruments or debt instruments.

In the case of business combinations where the transferred consideration, any non-controlling interests and the fair value of previously owned participating interest (in the case of acquisitions in steps) exceed the fair value of the assets acquired and liabilities assumed that are recognised separately, the difference is recognised as goodwill. When the difference is negative ('low-cost acquisitions'), this is recognised directly in profit for the year.

The consideration transferred for the acquisition does not include payments related to the settlement of pre-existing business relationships. This kind of settlement is normally recognised in profit and loss.

Contingent considerations are recognised at their acquisition-date fair value. If the contingent consideration is classified as an equity instrument, no revaluation is performed and the adjustment is made to equity. Other contingent considerations are revalued for each financial statement and the difference is recognised in profit for the year.

If the acquisition does not pertain to 100% of the subsidiary, it is deemed a non-controlling interest. There are two methods for recognising non-controlling interests. These two methods are to recognise the non-controlling interest's share of the proportional net assets or to recognise the non-controlling interest at fair value, meaning that the non-controlling interest is part of goodwill. The choice is made on a case-by-case basis between which of these two methods is used for recognising non-controlling interests.

For acquisitions in steps, goodwill is determined on the date on which controlling influence is reached. Previous holdings are measured at fair value and the change in value is recognised in profit for the year.

The remaining holdings are measured at their fair value and the change in value is recognised in profit for the year when the disposal leads to the end of the controlling influence.

Transactions that are eliminated upon consolidation

Intra-group receivables and liabilities, revenue or expenses, and unrealised gains or losses arising from intra-group transactions between Group companies are eliminated entirely when preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised profits but only to the extent that there is no impairment requirement.

Foreign currency

Foreign currency transactions
Transactions in foreign currency are translated to the functional currency using the exchange rate prevailing on the transaction date. The functional currency is the currency of the primary economic environments in which companies operate. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate prevailing on the balance-sheet date. Exchange-rate differences that arise during the translations are recognised in profit for the year. Non-monetary assets and liabilities recognised at historical cost are translated at the exchange rate prevailing on the transaction date.

Financial statements for foreign operations

Assets and liabilities in foreign operations, including goodwill and other Group surplus and deficit values, are translated from the functional currency to the reporting currency of the Group, Swedish kronor, using the exchange rate prevailing on the balance sheet date. Income and expenses in foreign operations are translated into SEK at an average exchange rate comprising an approximation of the exchange rates in effect at the respective transaction dates.

Translation differences arising from currency translation of foreign operations are reported in the comprehensive income result and accumulated in a separate component of equity, hereinafter referred to as the translation reserve. When a controlling influence ceases for a foreign operation, the accumulated translation differences attributable to the operation are realised, whereby they are reclassified from the translation reserve in equity to profit for the year.

Revenue

Performance obligations and revenue recognition policies
Revenue is measured based on the consideration specified in the contract with the customer. The Group recognises 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.

For the Process performance obligation, control is considered to have been transferred to the customer at a point in time, which is when the customer gains access to the process and can benefit from it; for example it can start to negotiate with relevant suppliers for intermediate goods for machinery, etc. For the Machinery for Solar Cell Production performance obligation, control is considered to have been transferred to the customer at a point in time, which is considered to be when the equipment is delivered and accepted by the customer, expect for contracts where Midsummer AB is entitled to expenses paid plus a reasonable profit margin if the customer were to terminate the contract for reasons other than the Company’s negligence to perform what it had promised. In such cases, control is transferred over a period of time depending on the stage of completion, which is based on the book costs in relation to the total project costs that have been calculated.

Payment for the Process and Machinery for Solar Cell Production performance obligations is made at specific milestones, with final invoices being sent when the Machinery for Solar Panel Production is installed and accepted by the customer. Uninvoiced amounts are recognised as contract assets, while amounts invoiced in advance are recognised as contract liabilities. Invoices are normally due within 30–60 days.

For subsequent service and process support, control is considered to transfer continually to the customer. Invoicing takes place every month and invoices are normally due within 30–60 days.

For solar cells, control is considered to transfer to the customer at the time of delivery from the factory and invoicing is carried out in conjunction with this. Invoices are normally due within 30 days.

(iv) Government grants
Government grants are recognised in the statement of financial position as deferred income when there is reasonable assurance that the grant will be received and the Group will comply with the terms associated with the grant. Grants are accrued systematically in profit for the year in the same way and over the same periods as the costs which the grants are intended to compensate. Government grants related to assets are recognised as a reduction in the asset's carrying amount in the statement of financial position.

Leases

When a contract is entered into, the Group assesses whether the contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lessee
The Group recognises a right-of-use asset and a leasing liability on the start date of the lease. The right-of-use is initially valued at cost, which consists of the original value of the leasing liability with an addition for lease payments paid at or before the start date plus any initial direct expenses. The right-of use asset is subsequently written off on a straight-line basis from the start date to the earliest of the end of the asset's useful life and the end of the lease term.

The leasing liability is initially valued at the present value of the future lease payments that have not been paid at the start date. The lease payments are discounted by the implicit interest on the lease. If this interest rate cannot be easily determined, the Group's marginal borrowing rate is used.

The value of the liability increases with the interest rate cost for the respective period and is reduced by the lease payments. The interest rate cost is calculated as the value of the liability multiplied by the discount rate.

The leasing liability is revalued if the future lease payments change as a result of, for example, changes to an index or rate. When the leasing liability is revalued in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset.

Short leases or leases of low value
The Group has chosen not to recognise right-of-use assets and leasing liabilities for leases that are shorter than 12 months or that have underlying assets of a low value. Lease payments for these leases are recognised as a cost on a straight-line basis over the lease term.

Financial income and expense

The Group' financial income and expense include:
– interest income,
– interest expenses,
– exchange rate gains/losses on financial assets and financial liabilities.

Interest income and interest expense are recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the carrying gross amount of the financial asset, or
– the amortised cost of the financial liability.

Taxes

Income tax consists of current tax and deferred tax. Income tax is recognised in profit for the year except when the underlying transaction is recognised in other comprehensive income or equity, in which case the associated tax effect is recognised in other comprehensive income or equity.

Current tax is tax to be paid or received for the current year, applying the tax rates enacted or substantively enacted on the balance sheet date. Current tax also includes an adjustment of current tax attributable to prior periods.

Deferred tax is calculated using the balance sheet method, based on temporary differences arising between the carrying amount of assets and liabilities and their value for tax purposes. Temporary differences are not taken into consideration in consolidated goodwill, nor for differences that arise on initial recognition of assets and liabilities that are not business combinations and which on the date of transaction do not affect either recognised or taxable profit. Temporary differences attributable to interests in subsidiaries and associates that are not expected to be reversed in the foreseeable future are not taken into consideration either. The measurement of deferred tax is based on how the amount of the underlying assets or liabilities is expected to be realised or settled. Deferred tax is calculated by applying the tax rates and tax regulations enacted or substantively enacted on the balance sheet date.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are only recognised to the extent that it is probable they will be utilised. The value of deferred tax assets is reduced when it is no longer deemed probable that they can be utilised.

Financial instruments

Recognition and initial measurement
Accounts receivable and debt instruments issued are recognised when they are issued. Other financial assets and financial liabilities are recognised when the Group becomes a party to the contractual terms of the instrument.

Upon initial recognition a financial asset (except for accounts receivable that do not have a significant financing component) or financial liability is measured at fair value. In the case of financial instruments not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue are included. Receivables without a significant financing component are measured at the transaction price.

The carrying amount of trade receivables includes receivables covered by factoring agreements. Under the agreement, the Group has transferred receivables to a factoring company in exchange for cash.

Under the agreement, the Group has transferred a number of customer invoices to factoring companies in exchange for cash. However, the Group has retained the credit risk and the risk of late payment. The Group therefore continues to recognise the transferred assets in full in the balance sheet. The amount received from the factoring agreement is recognised as short-term secured borrowing.

The Group holds these trade receivables for the purpose of collecting contractual cash flows, and therefore measures trade receivables at subsequent reporting dates at amortised cost using the effective interest method, less an allowance for expected credit losses. The discounting effect for short-term trade receivables is not significant, which means that the amortised cost is the nominal amount.

Classification and subsequent measurement

Financial assets
Upon initial recognition a financial asset is classified as measured: at amortised cost; at fair value through other comprehensive income – debt instrument investment; at fair value through other comprehensive income – equity investment; or at fair value through profit or loss. All financial assets are recognised at amortised cost. This is because they are held within the framework of a business model aimed at receiving the contractual cash flows at the same time that cash flows from the assets consist solely of payments of principal and interest.

Financial liabilities – Classification, subsequent measurement, and gains and losses

Financial liabilities are classified as measured at amortised cost or at fair value through the income statement. The Group's liabilities for earnouts attributable to business combinations are recognised at fair value through the income statement. All other financial liabilities are recognised at amortised cost.

Derecognition in the statement of financial position

Financial assets
The Group derecognises a financial asset from the statement of financial position when the contractual rights to the cash flows from the financial asset expire or if it transfers the right to receive the contractual cash flows via a transaction that entails the transfer of all substantial risks and benefits of ownership; or where the Group does not transfer or retain all substantial risks and benefits of ownership and it does not retain control of the financial asset.

The Group enters into transactions in which it transfers assets recognised in the statement of financial position, but retains all substantial risks and benefits of ownership associated with the transferred assets. In these instances, the transferred assets are not derecognised from the accounts.

Financial liabilities
The Group derecognises a financial liability from the statement of financial position when the obligations in accordance with the contract are fulfilled, cancelled or cease. The Group also derecognises a financial liability when the contractual terms and conditions are modified and the cash flows from the modified liability are substantially different. In this case, a new financial liability is recognised at fair value based on the modified terms and conditions.

When a financial liability is derecognised, the difference between the carrying amount that has been removed and the payment that has been made is recognised in earnings (including non-monetary assets that have been transferred or liabilities that have been assumed).

Property, plant and equipment

Owned assets
Property, plant and equipment are recognised at cost in the Group less accumulated depreciation and any impairment. Cost includes the purchase price and costs directly attributable to the asset to put it in place in working order for use in accordance with the intended purpose of the acquisition. Borrowing costs that are directly attributable to the purchase, design or production of assets that require a significant amount of time to prepare for their intended use or sale are included in the cost. The accounting policies for impairment are described below.

The carrying amount of property, plant and equipment is derecognised from the statement of financial position upon disposal or sale, or when no future financial benefits are expected to be derived from the use or disposal/sale of the asset. Gains or losses that arise upon the sale or disposal of an asset are defined as the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains and losses are recognised as other operating income/expense.

Additional expenditures
Additional expenditures are added to the cost only to the extent that it is probable that the future financial benefits associated with the asset will accrue to the Company and the cost can be calculated in a reliable manner. All other additional expenditures are recognised as an expense in the period in which they arise.

Depreciation policies
Assets are depreciated on a straight-line basis over their estimated useful life. Leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. The Group applies component depreciation, which means that depreciation is based on the estimated useful life of individual components.

Estimated useful lives:

Plant and machinery	5–10 years
Equipment, tools and installations	5 years
Leasehold improvements	20 years

Depreciation methods, residual values and useful lives are reassessed at the end of each year.

Intangible assets

Research and development
Expenditures on research aimed at gaining new scientific or technical knowledge are expensed as they are incurred.

Expenditures on development, where research findings or other knowledge are applied to produce new or improved products or processes, are recognised as an asset in the statement of financial position, provided that the product or process is technically and commercially feasible and the Company has sufficient resources to complete development and then use or sell the intangible asset. The carrying amount includes all directly attributable expenditures; for example, benefits to employees, registration of a legal right, amortisation of patents and licenses, and borrowing costs in accordance with IAS 23. Other development expenses are expensed in profit for the year as they are incurred. In the statement of financial position, development expenses are recognised at cost less accumulated amortisation and any impairment.

Other intangible assets
Other intangible assets acquired by the Group comprise patents and are recognised at cost, less accumulated amortisation and any impairment losses.

Additional expenditures
Additional expenditures for capitalised intangible assets are recognised as an asset in the statement of financial position only to the extent that they increase the future financial benefits of the specific asset to which they are attributable. All other expenditures are expensed as they are incurred.

Borrowing costs
Borrowing costs that are attributable to the production of a qualifying asset are capitalised as a part of the cost of the qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Firstly, borrowing costs that have arisen on loans that are specific to the qualifying asset are capitalised. Secondly, borrowing costs that have arisen on general loans that are not specific to any qualifying asset are capitalised. The capitalisation of borrowing costs for the Group primarily comprise capitalised development expenses.

Depreciation policies
Amortisation is recognised in the profit for the year on a straight-line basis over the estimated useful life of intangible assets, unless such useful lives are indefinable. The useful lives are reassessed at least once a year. Intangible assets with definable useful lives are amortised from the date on which they are available for use.

Estimated useful lives

Patents	10 years
Capitalised development expenses	5 years

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated by applying the weighted average price method and includes expenditures arising during the acquisition of the inventory assets and transportation thereof to their current location and state. For finished goods and work in progress, cost includes an appropriate share of indirect costs based on normal capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

Impairments

The Group's recognised assets are assessed on each balance sheet date to determine whether there is any indication of impairment. IAS 36 is applied for the impairment of assets other than financial assets, which are recognised in accordance with IAS 39, inventories and deferred tax assets. For the exceptions stated above, the carrying amount is assessed according to the relevant standard.

Impairment of property, plant and equipment, and intangible assets
If impairment is indicated, the recoverable amount of the asset is calculated. If it is not possible to ascertain essentially independent cash flows for an individual asset and its fair value less selling expenses cannot be used, the assets are grouped at the lowest level at which it is possible to identify essentially independent cash flows (a 'cash-generating unit') when testing for impairment.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit (group of units) exceeds its recoverable amount. Impairment losses are expensed in profit for the year. Once impairment has been identified for a cash-generating unit (group of units), the impairment loss is initially allocated to goodwill, after which other assets in the unit (group of units) are proportionally impaired.

The recoverable amount is the higher of fair value less selling expenses and value-in-use. When calculating value-in-use, future cash flows are discounted using a discounting factor that reflects risk-free interest and the risks associated with the specific asset.

Reversal of impairment
An impairment of assets included in the scope of IAS 36 is reversed if there is an indication that the impairment no longer exists and there has been a change in the assumptions underlying the calculation of the recoverable value. However, impairment of goodwill is never reversed. Impairment is reversed only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognised, less amortisation if appropriate, if no impairment had been recognised.

Impairment of financial assets

Midsummer recognises loss reserves for expected credit losses on financial assets measured at amortised cost. The loss reserve for accounts receivable and contract assets is measured at an amount corresponding to expected credit losses for the remaining term.

The impairment of accounts receivable and contract assets is determined based on historical experience of customer losses on similar receivables, specific circumstances and expectations at the end of the reporting period. Credit losses are measured as the present value of all losses in the cash flows (i.e. the difference between the cash flows according to the contract and the cash flow that the Group expects to receive).

The loss reserve reduces the assets' value in the statement of financial position.

Earnings per share

The calculation of earnings per share before dilution is based on the profit for the year in the Group that is attributable to the parent company shareholders and on the weighted average number of shares outstanding during the year.

When calculating diluted earnings per share, the average number of shares is adjusted for the effects of potential ordinary shares; in the reported periods these refer to warrants issued as part of share issues. These warrants have a dilutive effect only when the average market price of ordinary shares during the period exceeds the exercise price of the warrants. Potential ordinary shares are considered to have a dilutive effect only during periods when they result in lower earnings or a higher loss per share.

Employee benefits

Short-term benefits
Short-term employee benefits are measured on an undiscounted basis and are expensed as the related services are provided.

Defined-contribution pension plans
Pension plans classified as defined-contribution plans are those where the Company's obligation is limited to the contributions that the Company has undertaken to pay. In such cases, the size of the employee's pension is dependent on the contributions paid by the Company to the plan or to an insurance company and the return on capital yielded by the contributions. Consequently, it is the employee who bears the actuarial risk (that the pension payment will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected payments). The Company's obligations with regard to payments to defined-contribution plans are expensed in profit or loss for the year as they are earned by the employee's performance of services for the Company during a period.

Termination benefits
Benefits associated with the termination of employment are expensed at the earlier of the date that the Company can no longer withdraw the offer to the employee or the date that the Company recognises restructuring costs. Benefits that are expected to be settled after 12 months are recognised at their present value. Benefits that are not expected to be completely settled within 12 months are recognised in accordance with long-term benefits.

Provisions

A provision differs from other liabilities because there is uncertainty about the date of payment or the amount required to settle the provision. A provision is recognised in the statement of financial position when there is a present legal or informal obligation as a result of a past event, and it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made at the amount which is the best estimate of the expenditure required to settle the present obligation on the balance sheet date. Where the effect of payment timing is important, provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and, if appropriate, the risks specific to the liability.

Warranties
A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical data on warranties and a weighing of possible outcomes in relation to the probability of these outcomes occurring.

Contingent liabilities
Contingent liabilities are provided when there is a possible obligation attributable to events that have occurred, the occurrence of which can only be confirmed by one or more uncertain future events out of the control of the Group, or when there is an obligation not recognised as a liability or provision because it is not likely that the use of resources will be required or the amount cannot be calculated with sufficient reliability.

Parent company’s accounting policies

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board’s recommendation RFR 2 Accounting for Legal Entities. The Swedish Financial Reporting Board’s recommendations for listed companies are also applied. RFR 2 states that in the annual report for the legal entity, the parent company must apply all IFRS and interpretations adopted by the EU as far as possible within the framework of the Swedish Annual Accounts Act, Pension Obligations Vesting Act and considering the relationship between accounting and taxation. The recommendation states the exceptions from and additions to IFRS that must be made.

Differences between Group and parent company accounting policies
The differences between Group and parent company accounting policies are detailed below. The following accounting policies for the parent company have been applied consistently to all periods that are presented in the parent company’s financial statements.

Classification and presentation

An income statement and a statement of income and comprehensive income are presented for the parent company, whereas for the Group these two statements comprise *one* statement of income and comprehensive income. Furthermore, for the parent company, the term “balance sheet” is used for the report that in the Group is titled “statement of financial position”. The income statement and balance sheet for the parent company are presented in accordance with the Swedish Annual Accounts Act, while the statement of income and comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of financial statements and IAS 7 Statement of cash flows. The most significant differences from the consolidated statements that are apparent in the parent company’s income statement and balance sheet relate to the recognition of financial income and expense, non-current assets, equity, and the fact that provisions are recognised under a separate heading in the balance sheet.

Subsidiaries
Shares in subsidiaries are recognised in the parent company using the cost method. This means that transaction costs are included in the carrying amount of interests in subsidiaries, associates and jointly controlled entities. In the consolidated financial statements, transaction expenses that are attributable to subsidiaries are recognised directly in profit and loss when they arise.

Revenue

Works contracts
For the parent company works contracts are recognised at a fixed price when the contract has been completed. Until then, work in progress for works contracts is recognised at the lower of cost and the net realisable value on the balance sheet date.

Financial instruments and hedge accounting

The parent company has elected not to apply IFRS 9 for financial instruments. However, parts of the principles of IFRS 9 are still applicable, such as impairment losses, recognition/derecognition, criteria for the application of hedge accounting and the effective interest method for interest income and interest expense. In the parent company, financial non-current assets are measured at cost less any impairment losses, and financial current assets in accordance with the lowest value principle. For financial assets recognised at amortised cost, the impairment rules of IFRS 9 apply.

Operating segment reporting
The parent company does not report segments broken down in the same way and to the same extent as the Group, but instead discloses the breakdown of net sales to the parent company’s various business streams.

Leased assets
The parent company does not apply IFRS 16, in accordance with the exception in RFR 2. As a lessee, lease payments are expensed on a straight-line basis over the term of the lease and are therefore not recognised as a right-of-use and leasing liabilities in the balance sheet.

Note 2 Revenue

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.

Breakdown of revenue from contracts with customers

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

Product line	Production Equipment		Solar Roofs		Total	
Product/service area	**Jan-Dec 2022**	**Jan-Dec 2021**	**Jan-Dec 2022**	**Jan-Dec 2021**	**Jan-Dec 2022**	**Jan-Dec 2021**
Production equipment for solar cell production	4 806	53 996	-	-	4 806	53 996
Process for solar cell production	-	-	-	-	-	-
Service and support	2 593	2 908	-	-	2 593	2 908
Solar Roofs	-	-	45 851	37 502	45 851	37 502
Other	-	-	127	-	127	-
Total	**7 398**	**56 904**	**45 978**	**37 502**	**53 376**	**94 406**

All remaining performance obligations as at 31 December 2022 have an original expected duration of one year or less.

Contractual balances

Information about receivables, contract assets and contract liabilities from contracts with customers is summarised below.

Parent company

TSEK	2022-12-31	2021-12-31
Contract assets	30 343	29 927
Advances from customers	-288 510	-611

Group

TSEK	2022-12-31	2021-12-31
Contract assets	73 921	66 661
Contract liabilities	0	-611

Contract assets primarily relate to the Group's right to compensation for work performed but not invoiced at the balance sheet date regarding the sale of machinery for solar cell production. The contract assets are transferred to accounts receivables when the rights are unconditional. This normally takes place when the Group issues an invoice to the customer.

Contract liabilities primarily refer to the advances that have been received from customers for machinery for solar cell production.

The entire amount of TSEK 611, which had been recognised as advances from customers in the Parent Company at the start of the period, was recognised as revenue as at 31 December 2022.

The entire amount of TSEK 611, which had been recognised as contract liabilities in the Group at the start of the period, was recognised as revenue as at 31 December 2022.

Note 3 Operating segments

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.

Graphic areas

Group

Product line	Production Equipment		Solar Roofs		Total	
Geographic area	**Jan-Dec 2022**	**Jan-Dec 2021**	**Jan-Dec 2022**	**Jan-Dec 2021**	**Jan-Dec 2022**	**Jan-Dec 2021**
Sweden	-	-	44 667	29 482	44 667	29 482
China/Hong Kong	4 812	45 646	162	-	4 974	45 646
EU	-	51	647	7 876	647	7 927
Rest of the world	2 586	11 207	502	144	3 088	11 351
Total	**7 398**	**56 904**	**45 978**	**37 502**	**53 376**	**94 406**

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

The Group's non-current assets are mostly located in Sweden, but the Group's subsidiary, Midsummer Italia S.l.r., has also made investments in its premises in Italy.

The Group's total intangible assets and property, plant and equipment, amount to TSEK 199,718, which includes TSEK 78,868 in Sweden and TSEK 120,850 in Italy.

Note 4 Other operating income

Parent company

TSEK	2022-12-31	2021-12-31
Public grants	286	3 941
Dispute compensation	-	-
Exchange rate gains	5 250	6 327
Other	-	-
Total	**5 536**	**10 268**

Group

TSEK	2022-12-31	2021-12-31
Public grants	88 454	3 982
Dispute compensation	-	0
Exchange rate gains	13 811	13 013
Other	-	0
Total	**102 265**	**16 995**

Note 5 Other operating expenses

Parent company

TSEK	2022-12-31	2021-12-31
Exchange rate losses	-19 821	-3 567
Other operating expenses	-	-
Total	-19 821	-3 567

Group

TSEK	2022-12-31	2021-12-31
Exchange rate losses	-4 820	-4 988
Other operating expenses	-	-
Total	-4 820	-4 988

Note 6 Employees, staff expenses and remuneration to senior executives

Average number of employees

Employees	2022-12-31	Of whom men	2021-12-31	Of whom men
Parent company				
Sweden	111	73%	102	75%
Total parent company	111	73%	102	75%
Subsidiaries				
Sweden	-	-	-	-
Italy	3	100%	1	100%
Group total	114	74%	103	75%

Gender distribution in company management

Parent company	2022-12-31 Proportion of women	2021-12-31 Proportion of women
Board of Directors	17%	17%
Other senior executives	13%	13%
Group total		
Board of Directors	14%	17%
Other senior executives	11%	13%

Wages, salaries and other remuneration broken down between senior executives and other employees, and social security contributions in the parent company

TSEK	2022			2021		
Parent company	Senior executives (8 people)	Other employees	Total	Senior executives (8 people)	Other employees	Total
Salaries and other remuneration	6 118	51 961	58 078	5 228	46 587	51 815
(of which bonuses, etc.)	-	-	-	-	-	-
Parent company total	6 118	51 961	58 078	5 228	46 587	51 815
(of which bonuses, etc.)	-	-	-	-	-	-
Social security contributions[1]	2 694	18 691	21 385	2 508	18 068	20 577
[1]of which pension costs	1 024	2 986	4 011	937	3 744	4 681

Wages, salaries and other remuneration broken down between senior executives and other employees, and social security contributions in the Group

TSEK	2022			2021		
Group	Senior executives (9 people)	Other employees	Total	Senior executives (8 people)	Other employees	Total
Salaries and other remuneration	8 331	47 164	55 495	6 800	46 570	53 370
(of which bonuses, etc.)	-	-	-	-	-	-
Group total	8 331	47 164	55 495	6 800	46 570	53 370
(of which bonuses, etc.)	-	-	-	-	-	-
Social security contributions[1]	3 555	18 734	22 289	3 059	18 063	21 122
[1]of which pension costs	1 176	2 835	4 011	1 034	3 647	4 681

Salaries and other remuneration for senior executives

Parent company 2022

TSEK	Basic salary, Board fee	Variable remuneration	Pension costs	Share-based payment	Other remuneration	Total	Pension commitments
CEO Sven Lindström	2 256	-	638	-	151	3 045	-
Remuneration from parent company	2 256	-	638	-	151	3 045	-
Other senior executives							
Jan Lombach	410	-	-	-	-	410	-
Eva Kristensson	75	-	-	-	-	-	-
Liang Gao	-	-	-	-	-	-	-
Philip Gao	-	-	-	-	-	-	-
Eric Jaremalm	1 952	-	386	-	106	2 444	-
Jan Johansson	400	-	-	-	-	400	-
Lars-Ola Lundkvist	125					125	
Claes Hofmann	118	-	-	-	-	118	-
Lisa Pers-Ohlsén	250	-	-	-	-	250	-
Johan Magnusson	275	-	-	-	-	275	-
Total	5 860	-	1 024	-	257	7 067	-

Salaries and other remuneration for senior executives

Parent company 2021

TSEK	Basic salary, Board fee	Variable remuneration	Pension costs	Share-based payment	Other remuneration	Total	Pension commitments
CEO Sven Lindström	2 378	-	608	-	146	3 132	-
Remuneration from parent company	2 378	-	608	-	146	3 132	-
Other senior executives							
Jan Lombach	135	-	-	-	-	135	-
Eva Kristensson	-	-	-	-	-	0	-
Liang Gao	-	-	-	-	-	-	-
Philip Gao	-	-	-	-	-	-	-
Eric Jaremalm	1 713	-	329	-	105	2 147	-
Jan Johansson	200	-	-	-	-	200	-
Claes Hofmann	118	-	-	-	-	118	-
Lisa Pers-Ohlsén	175	-	-	-	-	175	-
Johan Magnusson	150	108	-	-	-	258	-
Remuneration from parent company	2 491	-	329	-	105	3 033	-
Total	4 869	108	937	-	251	6 165	-

No severance payments were made and there are no plans to do so. The CEO has a mutual notice period of six months, with no severance pay or similar.

Note 7 Fees and reimbursement to auditors

Parent company/Group

	Group		Parent company	
TSEK	2022-12-31	2021-12-31	2022-12-31	2021-12-31
KPMG [Mattias Lötborn]				
Audit assignment	1 255	1 206	1 255	1 206
Audit activities other than the audit assignment	-	75	-	75
Tax advice	-	-	-	-
Other services	55	42	55	42
Total	**1 310**	**1 323**	**1 310**	**1 323**

'Audit assignment' refers to the statutory audit of the annual and consolidated financial statements and the accounting records, as well as the administration of the Board of Directors and the CEO, as well as other audits or examination performed by agreement or contract.

This includes other duties incumbent on the auditor of the Company as well as providing advisory services or other assistance due to observations made during such an audit or while performing other such duties.

Note 8 Net financial items

Parent company

TSEK	2022-12-31	2021-12-31
Interest income	7 570	631
Exchange rate gains, net	23 737	1 313
Total	**31 307**	**1 943**
Interest expense	-19 408	-20 836
Other financial expenses	-600	-
Total	**-20 008**	**-20 836**

Group

TSEK	2022-12-31	2021-12-31
Interest income	653	631
Exchange rate gains, net	927	1 313
Total	**1 580**	**1 944**
Interest expense	-19 680	-21 174
Other financial expenses	-600	-
Total	**-20 280**	**-21 174**

Note 9 Taxes

Recognised in the statement of income and other comprehensive income/income statement

Parent company

TSEK	2022-12-31	2021-12-31
Deferred tax income	-	-

Group

TSEK	2022-12-31	2021-12-31
Deferred tax income	1 132	719

Reconciliation of effective tax

Parent company

TSEK	2022 %	2022	2021 %	2021
Profit before tax		77 497		-114 809
Tax according to tax rate for the parent company	20,6%	-15 964	20,6%	23 651
Non-deductible expenses	4,0%	-3 067	0,26%	303
Tax exempt income	0,0%	0	-0,53%	-609
Utilisation of previous non-capitalised loss carryforwards	0,0%	19 031	0,0%	-
Tax effect of share issue expenses	0,0%	-	0,0%	-
Increase in loss carryforwards without corresponding capitalisation of deferred tax	-24,6%	-	-20,33%	-23 344
Revaluation of previously recognised deferred tax	-	-	-	-
Effective tax recognised	-	-	-	-

Group

TSEK	2022 %	2022	2021 %	2021
Profit before tax		-88 967		-130 231
Tax according to tax rate for the parent company	20,6%	18 327	20,6%	26 828
Effect of other tax rates for foreign subsidiaries	1,1%	956	0,2%	249
Non-deductible expenses	-3,5%	-3 075	0,2%	303
Tax exempt income	0,0%	-	-0,5%	-609
Utilisation of previous non-capitalised loss carryforwards	0,0%	-	0,0%	-
Change in taxable temporary differences without the equivalent posting of deferred tax	0,0%	-18 546	0,0%	-
Increase in loss carryforwards without corresponding capitalisation of deferred tax	0,0%	-	-17,9%	-23 344
Other	3,9%	3 469	-2,1%	-2 707
Revaluation of previously recognised deferred tax	-	-	-	-
Effective tax recognised	-	1 132	-	719

Recognised in the balance sheet

Unrecognised deferred tax assets

Deductible temporary differences and tax loss carryforwards for which deferred tax assets have not been recognised in the balance sheet:

Parent company

TSEK	2022-12-31	2021-12-31
Tax losses	132 518	224 093

Group

TSEK	2022-12-31	2021-12-31
Tax losses parent company	132 518	224 093
Total	**132 518**	**224 093**

Change in deferred tax in temporary differences and unused loss carry-forwards

Group

TSEK	Balance as at 1 Jan 2022	Reported in profit for the year	Reported in other comp. inc.	Reported in equity	Acquisition / Divestment of business activities	Balance as at 31 Dec 2022
Capitalisation of loss carry-forwards	719	1 132	-	-	-	1 851

Note 10 Earnings per share

Profit for the year attributable to the equity holders of the parent company

Group

TSEK	2022-12-31	2021-12-31
Profit for the year attributable to the equity holders of the parent company	-1,30	-2,18

The Group's profit after tax for 2022 was -87,836 (-129,512).
The average number of shares amounted to 67,741,409 (59,406,186) in 2022.

Note 11 Intangible assets

All intangible assets are amortised, except for goodwill. The Group does not currently have any goodwill. For information about amortisation, see the accounting policies in note 1.

Parent company

	Internally developed intangible assets	Acquired intangible assets	
TSEK	**Development expenses**	**Concessions, patents, licenses, trademarks and similar rights**	**Total**
Accumulated cost			
Opening balance 1 Jan 2022	156 875	1 809	158 685
Investments	-	47	47
Internally developed assets	20 134	-	20 134
Closing balance 31 Dec 2022	**177 010**	**1 856**	**178 866**
Opening balance 1 Jan 2021	132 008	1 679	133 687
Investments	-	130	130
Internally developed assets	24 867	-	24 867
Closing balance 31 Dec 2021	**156 875**	**1 809**	**158 684**
Accumulated amortisation			
Opening balance 1 Jan 2022	-104 362	-1 227	-105 589
Amortisation for the year	-19 022	-91	-19 112
Closing balance 31 Dec 2022	**-123 384**	**-1 317**	**-124 701**
Opening balance 1 Jan 2021	-87 276	-1 125	-88 401
Amortisation for the year	-17 086	-102	-17 188
Closing balance 31 Dec 2021	**-104 362**	**-1 227**	**-105 589**
Carrying amounts			
As at 31 Dec 2022	52 513	583	53 094
As at 31 Dec 2022	53 626	539	54 164
As at 1 Jan 2021	44 732	553	45 286
As at 31 Dec 2021	52 513	582	53 094

Group

	Internally developed intangible assets	Acquired intangible assets	
TSEK	**Development expenses**	**Concessions, patents, licenses, trademarks and similar rights**	**Total**
Accumulated cost			
Opening balance 1 Jan 2022	156 875	1 962	158 837
Investments	-	60	60
Internally developed assets	20 134	-	20 134
Closing balance 31 Dec 2022	**177 010**	**2 022**	**179 032**
Opening balance 1 Jan 2021	132 008	1 829	133 837
Investments	-	133	133
Internally developed assets	24 867	-	24 867
Closing balance 31 Dec 2021	**156 875**	**1 962**	**158 837**
Accumulated amortisation			
Opening balance 1 Jan 2022	-104 362	-1 227	-105 589
Amortisation for the year	-19 022	-91	-19 113
Closing balance 31 Dec 2022	**-123 384**	**-1 318**	**-124 701**
Opening balance 1 Jan 2021	-87 276	-1 125	-88 401
Amortisation for the year	-17 086	-102	-17 188
Closing balance 31 Dec 2021	**-104 362**	**-1 227**	**-105 588**
Carrying amounts			
As at 31 Dec 2022	52 513	735	53 249
As at 31 Dec 2022	53 626	704	54 331
As at 1 Jan 2021	44 732	703	45 436
As at 31 Dec 2021	52 513	735	53 249

Note 12 Property, plant and equipment

Parent company

TSEK	Leasehold improvements	Plant and machinery	Equipment, tools and installations	Total
Accumulated cost				
Opening balance 1 Jan 2022	9 607	68 307	-	77 914
Acquisitions	181	300	-	481
Closing balance 31 Dec 2022	**9 788**	**68 607**	**-**	**78 396**
Opening balance 1 Jan 2021	9 422	62 579	-	72 000
Acquisitions	185	5 728	-	5 914
Divestments and disposals	-	-	-	0
Closing balance 31 Dec 2021	**9 607**	**68 307**	**-**	**77 914**
Accumulated amortisation				
Opening balance 1 Jan 2022	-1 393	-43 721	-	-45 114
Divestments and disposals	-	-	-	-
Depreciation according to plan for th	-486	-8 093	-	-8 579
Closing balance 31 Dec 2022	**-1 879**	**-51 814**	**-**	**-53 692**
Opening balance 1 Jan 2021	-917	-34 954	-	-35 871
Divestments and disposals	-	-	-	-
Depreciation according to plan for th	-476	-8 767	-	-9 243
Closing balance 31 Dec 2021	**-1 393**	**-43 721**	**-**	**-45 114**
Carrying amounts				
As at 31 Dec 2022	8 214	24 586		32 798
As at 31 Dec 2022	7 909	16 793		24 702
As at 1 Jan 2021	8 505	27 624		36 129
As at 31 Dec 2021	8 214	24 585		32 798

Group

TSEK	Properties	Leasehold improvements	Plant and machinery	Equipment, tools and installations	Total
Accumulated cost					
Opening balance 1 Jan 2022	19 086	9 607	185 418	45	214 155
Machines sold	-	-	-83 322	-	-83 322
Disposals	-	-	-26 664	-45	-26 709
Investments	39 730	181	55 366	-	95 277
Closing balance 31 Dec 2022	**58 816**	**9 788**	**130 798**	**0**	**199 402**
Opening balance 1 Jan 2021	-	9 422	114 388	45	123 855
Investments	19 086	185	71 030	-	90 301
Closing balance 31 Dec 2021	**19 086**	**9 607**	**185 418**	**45**	**214 156**
Accumulated amortisation					
Opening balance 1 Jan 2022	-	-1 393	-70 531	-45	-71 969
Disposals	-	-	26 811	45	26 856
Amortisation for the year	-	-486	-8 416	-	-8 902
Closing balance 31 Dec 2022	**-**	**-1 879**	**-52 136**	**0**	**-54 015**
Opening balance 1 Jan 2021	-	-917	-56 321	-45	-57 283
Amortisation for the year	-	-476	-14 210	-	-14 686
Closing balance 31 Dec 2021	**-**	**-1 393**	**-70 531**	**-45**	**-71 969**
Carrying amounts					
As at 31 Dec 2022	19 086	8 214	114 887	-	142 186
As at 31 Dec 2022	58 816	7 909	78 663	-	145 387
As at 1 Jan 2021	-	8 505	58 067	-	66 572
As at 31 Dec 2021	19 086	8 214	114 887	-	142 186

Note 13 Non-current receivables and other receivables

Group and parent company

TSEK	2022-12-31	2021-12-31
Non-current receivables that are non-current assets		
Receivables among employees	180	
Deposit	40	40
Total	**220**	**40**

TSEK	2022-12-31	2021-12-31
Non-current receivables		
Accumulated cost		
At start of year	40	40
Closing balance 31 December	220	40

Note 14 Inventories

Parent company

TSEK	2022-12-31	2021-12-31
Raw materials and consumables	16 726	28 232
Goods in progress	33 745	23 598
Finished goods and goods for resale	2 543	85 467
Total	**53 015**	**137 297**

Group

TSEK	2022-12-31	2021-12-31
Raw materials and consumables	16 726	28 232
Goods in progress	1 202	7
Finished goods and goods for resale	2 543	2 145
Total	**20 471**	**30 384**

Note 15 Prepayments and accrued income

	Group		Parent company	
TSEK	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Rent	96	27	1 132	1 036
Insurance	190	106	190	106
Other prepayments	832	1 229	814	683
Accrued contract revenue INVITALIA	130 134	-	-	-
Prepaid leases	256	-	454	772
Total	**131 508**	**1 362**	**2 590**	**2 598**

Note 16 Equity

Parent company

TSEK	2022-12-31	2021-12-31
Ingående redovisat värde 2022-01-01	54 273	48 091
Funding for capitalised own development work	251	17 461
Amortisation of capitalised own development	-897	-11 278
Utgående redovisat värde 2022-12-31	**53 627**	**54 273**

Types of shares

Ordinary shares	2022-12-31	2021-12-31
Issued as at 1 January	67 741 409	59 171 392
Cash issue	-	8 570 017
Issued as at 31 December – paid	**67 741 409**	**67 741 409**

The number of shares on 31 December 2022 amounted to 67,741,409 (67,741,409).

Holders of ordinary shares are entitled to a dividend that is established from year to year, and their shareholding entitles them to exercise one vote per share at the general meeting.

The share capital in Midsummer amounted to TSEK 2,710 (TSEK 2,710) as at 31 December 2022, distributed among 67,741,409 shares (67,741,409) with a nominal value of SEK 0.04 (SEK 0.04).

Dividend

No dividend has been proposed by the Board of Directors.

The Board committed not to issue a dividend over the subsequent three years when it issued its green bond in 2019.

Group

The translation reserve comprises all exchange rate differences generated by translating the financial statements from foreign companies that have been presented in a different currency to the one used in the Group's financial statements. The parent company and the Group present their financial statements in Swedish krona (SEK).

Parent company

RESTRICTED RESERVES
Restricted reserves may not be diminished by the distribution of profits.

FUND FOR DEVELOPMENT EXPENSES
The amount that is capitalised for internally generated development expenses is transferred from non-restricted equity to the fund for development expenses in restricted equity. The fund will contract as the capitalised expenses are amortised or impaired. It is handled in a similar way to the revaluation fund.

NON-RESTRICTED EQUITY
The following funds, along with profit for the year, make up non-restricted equity, i.e. the amount available for dividends to the shareholders.

SHARE PREMIUM RESERVE
When shares are issued at a premium, i.e. when more must be paid for the shares than their nominal value, an amount equivalent to the amount received in excess of the share's nominal value is transferred to the share premium reserve. Amounts transferred to the share premium reserve from 1 January 2006 are part of non-restricted equity.

RETAINED LOSS
The retained loss comprises the retained earnings from previous years and the profit/loss following deductions for dividends paid out during the year.

Note 17 Interest-bearing liabilities

The following is a presentation of the contractual terms applying to the Company's interest-bearing liabilities. For more information about the Company's exposure to interest rate risk and the risk of changes in exchange rates, see note 22.

Group

TSEK	2022-12-31	2021-12-31
Non-current liabilities		
Loans from creditors	10 000	199 700
Leasing liabilities	14 692	5 053
Total non-current interest-bearing liabilities	**24 692**	**204 753**
Current liabilities		
Current portion of loans from creditors	215 215	1 367
Current portion of leasing liabilities	5 006	6 343
Total current interest-bearing liabilities	**220 221**	**7 710**

Contractual terms and scheduled repayments

For information on contractual terms and scheduled repayments, see the table below. Collateral for loans from creditors has been issued at an amount of TSEK 4,500 (TSEK 4,500) in floating charges (also see note 24).

				Nom. amount	Carrying amoun	Nom. amount	Carrying amoun
TSEK	**Currency**	**Nom. interest**	**Due**	**2022-12-31**	**2022-12-31**	**2021-12-31**	**2021-12-31**
Green bond	SEK	8,50%	2023	200 000	200 000	194 000	194 000
Conditional loan Swedish Energy Agency	SEK	5,50%	2024	5 192	5 192	7 067	7 067
Leasing liabilities	SEK	2,50%	2023	19 698	19 698	11 396	11 396
Loans from credit institutions	SEK	0,84%	2025	20 023	20 023	-	-
Total				**244 913**	**244 913**	**212 463**	**212 463**

Note 18 Liabilities to credit institutions

Parent company

TSEK	2022-12-31	2021-12-31
Non-current liabilities		
Loans from creditors	10 000	199 700
Current liabilities		
Current portion of loans from creditors	215 215	1 367
Liabilities that fall due for payment later than five years after balance sheet date	**-**	**-**

Note 19 Provisions

Group/parent company

TSEK	2022-12-31	2021-12-31
Warranty obligations	2 315	-
Total	**2 315**	**-**

Group/parent company

TSEK	2022-12-31	2021-12-31
Carrying amount at start of period	0	188
Provisions made during the period	2 920	-
Amount used during the period	-605	-188
Carrying amount at end of period	**2 315**	**0**

Warranties

The provisions for warranties relate to the sale of machinery for solar cell production and the installation of solar roofs. These provisions are based on calculations that use historic data for warranties associated with the sale of machinery.

Note 20 Accruals and deferred income

	Group		Parent company	
TSEK	**2022-12-31**	**2021-12-31**	**2022-12-31**	**2021-12-31**
Annual leave pay incl. social security contributions	5 456	5 904	5 421	5 904
Special payroll tax	814	1 136	814	1 136
Other accruals	418	885	418	885
Accrued interest expenses	3 838	3 070	3 838	3 070
Total	10 526	10 995	10 491	10 995

Note 21 Valuation of financial assets and liabilities at fair value and categorisation

Group

	Carrying amount 31 Dec 2022		
TSEK	**Financial assets valued at amortised cost**	**Other liabilities**	**Total**
Financial assets			
Other non-current receivables	220		220
Accounts receivable	16 041		16 041
Other receivables	1 641		1 641
Accrued income	131 508		131 508
Cash and cash equivalents	2 388		2 388
Total	**151 798**		**151 798**
Financial liabilities			
Liabilities to credit institutions		225 215	225 215
Accrued expenses		10 525	10 525
Trade payables		20 806	20 806
Other current liabilities		7 139	7 139
Total		**263 685**	**263 685**

Group

	Carrying amount 31 Dec 2021		
TSEK	**Financial assets valued at amortised cost**	**Other liabilities**	**Total**
Financial assets			
Other non-current receivables	40		40
Accounts receivable	22 782		22 782
Other receivables	1 541		1 541
Accrued income	1 362		1 362
Cash and cash equivalents	159 161		159 161
Total	**184 886**		**184 886**
Financial liabilities			
Liabilities to credit institutions		201 067	201 067
Leasing liabilities		11 396	11 396
Trade payables		10 107	10 107
Other current liabilities		3 832	3 832
Total		**226 402**	**226 402**

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

Note 22 Financial risks and risk management

Credit exposure, accounts receivable and contract assets per geographic region

Parent company

			2022-12-31				2021-12-31			
TSEK	Currency	Nom. amount original currency	Total	<1 year	1-5 years	>5 years	Total	<1 year	1-5 years	>5 years
Loans from creditors	SEK	225 192	232 841	221 108	11 733	-	246 822	17 481	229 341	-
Total		**225 192**	**232 841**	**221 108**	**11 733**	**-**	**246 822**	**17 481**	**229 341**	**-**

Group

			2022-12-31				2021-12-31			
TSEK	Currency	Nom. amount original currency	Total	<1 year	1-5 years	>5 years	Total	<1 year	1-5 years	>5 years
Loans from creditors	SEK	225 192	232 841	221 108	11 733	-	246 822	17 481	229 341	-
Leasing liabilities	SEK	19 698	6 422	5 006	14 692	-	15 664	5 392	10 272	-
Total		**244 890**	**239 263**	**226 114**	**26 425**	**-**	**262 486**	**22 873**	**239 613**	**-**

Loans from creditors include a conditional loan from the Swedish Energy Agency.

The repayment plan for this loan has not yet been determined as it depends on the number of solar panels the Group sells. The figures stated above in the table are the Group's best estimate of how these repayments will be made in the future.

The Group is exposed to various types of financial risks through its operations.

- Credit risk
- Liquidity risk
- Market risk

Framework for financial risk management

The Group's finance policy for managing financial risks has been designed by the Board of Directors and contains a framework of guidelines and rules in the form of policies and individual assessments of customers and transactions. The responsibility for the Group's financial transactions and risks are managed centrally by the Group's finance function, which is part of the parent company and run by the parent company's CFO. The overall goal of the finance function is to provide cost-effective financing and minimise the negative effects of market risks on the Group's earnings. The head of the central finance function reports continually to the Group's management team and Board of Directors.

Credit risk

Credit risk is the risk that a customer or counterparty in a financial instrument is unable to fulfil its commitments, thereby causing the Group a financial loss, and arises mainly from the Group's accounts receivable and contract assets.

The carrying amount of financial assets and contract assets represents the maximum credit exposure.

Credit risks in accounts receivable

The Group's credit risk exposure is affected primarily by the individual characteristics of each customer. However, the management team also takes into consideration any factors that could affect the credit risk of its customer base, including the risk of failure associated with the industry and the country where the customers operate.

Each new customer is analysed individually to assess their creditworthiness before being offered the Group's general payment and delivery terms and conditions. The Group's analysis covers external credit ratings, if they are available, financial statements, information from credit rating agencies, industry information and, in some instances, bank references.

When monitoring customers' credit risk, customers are grouped according to their credit properties, their geographical location, trading history with the Group and the existence of any previous financial difficulties.

The Group sometimes requires letters of credit or other collateral for accounts receivable and other receivables. The Group has no accounts receivable or contact assets for which impairment reserves have not been recognised due to collateral.

As at 31 December 2022 the credit exposure to accounts receivable and contract assets per geographic region is as follows.

Reserve for anticipated credit losses

The Group makes an individual assessment of its accounts receivable and contract assets with regard to the risk of failure. The loss reserve for accounts receivable and contract assets is measured at an amount corresponding to anticipated credit losses for the remaining term of the receivable. The Group has not historically had any credit losses, which is why the risk of loss due to failure is very low. The Group currently does not have a reserve for anticipated credit losses.

Credit risk in cash and cash equivalents

The Group has cash and cash equivalents of TSEK 2,388 as at 31 December 2022.

Only European banks (SEB, Nordea, SBAB, Credem, Intesa) are the counterparties for cash and cash equivalents.

The Group considers cash and cash equivalents to have low credit risk based on the external credit ratings of the counterparties

Management of capital

According to the policy of the Board, the Group's financial objective is to have a solid financial position that contributes to maintaining the confidence of investors, creditors and the market, as well as being a solid foundation for the continued development of business operations, while generating satisfactory long-term returns for the shareholders.

Capital is defined as total equity, not including non-redeemable preference shares.

TSEK	2022-12-31	2021-12-31
Total equity	183 482	252 956
Debt/equity ratio		
Financial liabilities	248 751	215 533
Minus cash and cash equivalents and current investments	-2 388	-159 161
Net debt	**246 363**	**56 372**
Debt/equity ratio (Net debt/Total equity)	**1,34**	**0,22**

The increase in the net leverage ratio is due to the fact that the Group has made significant investments in 2022 (TSEK 69,802), mainly in preparation for the start of production in Italy.

The company raised TSEK 125,527 in a new share issue last year.

During the year there was no change to the Group's management of capital. The parent company committed to maintaining the equity/assets ratio above 20% when it issued its green bond. At the end of the year the Company had an equity/assets ratio of 39.1%.

Liquidity risk

The liquidity risk is the risk that the Group may encounter problems in fulfilling its obligations associated with its financial liabilities. The Group has a rolling 12-month liquidity plan covering all units in the Group. This plan is updated every month. Group forecasts covering 1–4 years also comprise liquidity planning in the medium term.

Liquidity planning is used to manage the liquidity risk and the costs of Group financing. The objective is for the Group to be able to meet its financial obligations in favourable and unfavourable market conditions without running into significant unforeseen costs and without risking the Group's reputation. Liquidity risks are managed centrally for the entire Group by the central finance department.

In the first half of 2019 the parent company issued its first green bond. The green bond of TSEK 200,000 has a maturity of 4 years and carries a variable interest rate of STIBOR

3m + 8.5% and was issued under a framework of TSEK 500,000. The green bond was listed on Nasdaq Stockholm Sustainable Bond List on 22 August 2019.

Credit facilities (as at 31 Dec 2022)	Nom. TSEK	Unutilised	Available
Bank overdrafts	2500	-	2 500

	Carrying amount	
TSEK	**2022-12-31**	**2021-12-31**
Sweden	12 224	10 293
China/Hong Kong	50 524	40 906
EU	24 796	33 766
Other regions	2 414	4 479
Total	**89 963**	**89 443**

As at 31 December 2022 the carrying amount for the Group's largest customer was TSEK 3050 (2021: TSEK 39,605).

Market risk

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will fluctuate due to changes in market prices. Market risks are divided by IFRS into three types: currency risk, interest rate risk and other price risks. The market risks that affect the Group the most are currency risks and interest rate risks.

Currency risk

The risk that fair values and cash flows from financial instruments may fluctuate with changes in the value of foreign currencies is referred to as a currency risk. The Group is exposed to currency risk on transactions where there is a mismatch between the currencies in which sales, purchases, assets and liabilities are denominated and the Group's functional currency, which is SEK. The currencies of the transactions are primarily the Swedish krona (SEK) and the US dollar (USD).

SENSITIVITY ANALYSIS – EXCHANGE RATE RISK
A 10% stronger Swedish krona against the US dollar as at 31 December 2022 would result in a change in equity and profit of TSEK -8,700 (TSEK -8,700 in 2021). The sensitivity analysis is based on the assumption that all other factors (e.g. interest rate) remain unchanged.
The same conditions were applied to 2021.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will vary due to changes in market rates. Interest rate risk can result in changes to fair values and changes to cash flows. A significant factor influencing interest rate risk is the fixed interest rate period. The Group's interest rate risk arises mainly in connection with long-term borrowing. The Group's current loans are subject to variable interest rates.

SENSITIVITY ANALYSIS – INTEREST-RATE RISK
The impact of an interest rate hike/cut of 1 percentage point at the balance sheet date on interest revenue and interest expense during the coming 12-month period would be approximately -/+ TSEK 2,000.

Note 23 Leases

The Group's leases mainly relate to the leasing of properties and vehicles, where properties represent the highest proportion of the closing balance for right-of-use assets as at 31 December 2022.

Right-of-use asset

TSEK	Properties	Vehicles	Total
As at 31 Dec 2022	7 634	4 699	12 333
Depreciation during the year	3 907	2 595	6 502
As at 31 Dec 2022	**16 836**	**3 843**	**20 679**

Additional right-of-use assets amounted to TSEK 14,848 during the year.

TSEK	Properties	Vehicles	Total
As at 1 Jan 2021	11 451	3 431	14 882
Depreciation during the year	3 817	2 490	6 307
Reclassification	-	-	0
As at 31 Dec 2021	**7 634**	**4 699**	**12 333**

Additional right-of-use assets amounted to TSEK 3,758 during the year.

Amounts recognised in profit

Group

TSEK	2022-12-31	2021-12-31
Interest on leasing liabilities	273	338
Costs for variable lease payments	-	-
Costs for low-value leases	340	310

Total cash outflow for leases

Group

TSEK	2022-12-31	2021-12-31
Leasingskulder	19 698	11 396
Variable lease payments	-	-
Low-value leases	340	310
Total	**20 038**	**11 706**

Leasing liabilities (Group)

Non-current leasing liabilities

TSEK	2022-12-31	2021-12-31
Vehicles	1 764	2 134
Premises	12 928	2 919
Total	**14 692**	**5 053**

Current leasing liabilities

TSEK	2022-12-31	2021-12-31
Vehicles	1 937	2 366
Premises	3 069	3 977
Total	**5 006**	**6 343**

Leases for properties and vehicles normally have a term of 3–5 years.

Rental contracts are for 3 years until 31 December 2023 and are renegotiated one year before the end of the term.

Extension periods are available for use by the Group for all of these leases. Where possible the Group tries to include such extension options in new leases as this contributes to operational flexibility. These extension options may only be used by the Group, not by the lessor.

The Group also rents computers, an air compressor and trailers with terms of 1 to 3 years.

These leases are low-value leases. The Group has chosen not to recognise right-of-use assets and leasing liabilities for these leases.

Lease liabilities (parent company)

The description of the leases for the Group that is set out under 'Group' is the same as the leases for the parent company. As at 31/12/2022 future lease payments for the parent company amount to TSEK 12,175.

31/12/2022 (TSEK)	<1 year	1-5 years	>5 years	Total
Properties	3 069	12 928	-	15 997
Vehicles	1 937	1 764	-	3 701
Total	**5 006**	**14 692**	**-**	**19 698**

31/12/2021 (TSEK)	<1 year	1-5 years	>5 years	Total
Properties	3 702	4 375	-	8 077
Vehicles	2 314	2 566	-	4 880
Total	**6 016**	**6 941**	**-**	**12 957**

Note 24 Pledged assets, contingent liabilities and contingent assets

	Group		Parent company	
TSEK	**2022-12-31**	**2021-12-31**	**2022-12-31**	**2021-12-31**
Pledged assets				
In the form of pledged assets for own liabilities and provisions				
Real estate mortgages	34 500	14 500	34 500	14 500
Total pledged assets	**34 500**	**14 500**	**34 500**	**14 500**
Contingent liabilities				
Total contingent liabilities	**None**	**None**	**None**	**None**

Note 25 Group companies

Interests in subsidiaries	**Subsidiaries' registered office, country**	**Ägarandel i % 2022-12-31**
Midsummer Roofing AB	Järfälla, Sweden	100
Midsummer Italia S.r.L	Rome, Italy	100

Parent company

TSEK	**2022-12-31**	**2021-12-31**
Accumulated cost		
At start of year	154	154
Additional investments	256 233	-
Closing balance 31 December	**256 387**	**154**

Specifications of shares in subsidiaries directly held by parent company

TSEK			**2022-12-31**	**2021-12-31**
Subsidiaries/ Corporate identity number / Registered office	**No. of shares**	**Proportion in %**	**Carrying amount**	**Carrying amount**
Midsummer Roofing AB, 559081–4652, Järfälla, Sweden	50 000	100	50	50
Midsummer Italia S.r.L, 15 843 471 002, Rome, Italy	10 000	100	256 337	104

Note 26 Specifications to the cash flow statement

Cash and cash equivalents

Parent company

TSEK	2022-12-31	2021-12-31
The following components are included in cash and cash equivalents:		
Cash at bank and in hand	2 212	155 573

Current investments have been classified as cash and cash equivalents according to the following:
- They are at insignificant risk of value fluctuations
- They can be converted easily into cash
- They have a term of no more than 3 months from the time of acquisition

Interest paid and dividend received

Parent company

TSEK	2022-12-31	2021-12-31
Interest received	7 570	631
Interest paid	-19 408	-20 836

Interest paid and dividend received

Group

TSEK	2022-12-31	2021-12-31
Interest received	654	631
Interest paid	-19 681	-21 174

Adjustment for non-cash items

Parent company

TSEK	2022-12-31	2021-12-31
Depreciation/Amortisation	27 692	26 430
Change of PIA	327	190
Inventory correction	-	-13 055
Unrealised exchange differences	-30 649	-1 313
Other provisions	2 315	-188
Total	**-314**	**12 064**

Adjustment for non-cash items

Group

TSEK	2022-12-31	2021-12-31
Depreciation/Amortisation	19 520	38 226
Change of PIA	327	190
Unrealised exchange differences	-23 734	-670
Other provisions	2 315	-188
Investment contributions	-99 416	-
Accrued interest	-3 070	-
Deferred tax	1 132	727
Total	**-102 926**	**38 285**

Reconciliation of liabilities arising from financing activities

Parent company

TSEK	2022-01-01	Cash flows	2022-12-31
Non-current liabilities			
Swedish Energy Agency	5 700	-508	5 192
Loans from credit institutions	0	20 000	20 000
Green bond	194 000	6 000	200 000
Total non-current liabilities	**199 700**	**25 492**	**225 192**
Current liabilities			
Current portion of liabilities from credit institutions	1 367	-1 367	0
Total current liabilities	1 367	-1 367	0
Total liabilities arising from financing activities	**201 067**	**24 124**	**225 192**

2021

TSEK	2021-01-01	Cash flows	31 Dec 2021
Non-current liabilities			
Swedish Energy Agency	7 067	-1 367	5 700
Green bond	194 000	-	194 000
Total non-current liabilities	**201 067**	**-1 367**	**199 700**
Current liabilities			
Current portion of liabilities from credit institutions	535	832	1 367
Total current liabilities	535	832	1 367
Total liabilities arising from financing activities	**201 601**	**-534**	**201 067**

Reconciliation of liabilities arising from financing activities

Group

TSEK	2022-01-01	Cash flows	Changes to non-cash items	2022-12-31
Non-current liabilities				
Non-current interest-bearing liabilities	199 700	10 000	-199 700	10 000
Leasing liabilities	5 053	-	9 639	14 692
Total non-current liabilities	**204 753**	**10 000**	**-190 061**	**24 692**
Current liabilities				
Current portion of liabilities from credit institutions	1 367	15 493	198 355	215 215
Current portion of leasing liabilities	6 343	-6 528	5 191	5 006
Total current liabilities	**7 710**	**8 965**	**203 546**	**220 221**
Total liabilities arising from financing activities	**212 463**	**18 965**	**13 485**	**244 913**

TSEK	1 Jan 2021	Cash flows	Changes to non-cash items	31 Dec 2021
Non-current liabilities				
Swedish Energy Agency	7 067	-1 367	-	5 700
Green bond	194 000	-	-	194 000
Leasing liabilities	8 227	-	3 174	5 053
Total non-current liabilities	**209 294**	**-1 367**	**3 174**	**204 753**
Current liabilities				
Current portion of liabilities from credit institutions	535	832	-	1 367
Current portion of leasing liabilities	5 796	-6 363	6 910	6 343
Total current liabilities	**6 331**	**-5 531**	**6 910**	**7 710**
Total liabilities arising from financing activities	**215 625**	**-6 898**	**10 085**	**212 463**

Note 27 Transactions with associates

Sale to Group companies	2022-12-31	2021-12-31
Sale to Group companies	349 654	-

Receivables at Group companies	2022-12-31	2021-12-31
Loans to subsidiaries	426 476	-
Accrued interest on internal loans	6 916	-
Total receivables at Group companies	433 392	-

Liabilities to Group companies	2022-12-31	2021-12-31
Liabilities to Group companies	-288 510	-

Note 28 Events after the balance sheet date

Net sales for the Group for the period January to March 2023 stood at TSEK 53,376 (TSEK 94,406). Total sales including grants amounted to TSEK 155,642 (TSEK 111,401). Operating profit for the Group was TSEK -101,137 (TSEK -111,001) and earnings per share during the quarter amounted to SEK -1.42/share (SEK -2.18/share), both before and after dilution.

Midsummer held an extraordinary general meeting on 24 January, during which a new share issue to the Turkish industrial group Murel was approved with a consequent change in the number of shares and votes.

The company supplied an additional three DUO machines from Järfälla in Sweden to Midsummer Italia in Bari, which means that five of the planned 12 machines have now been installed.

Midsummer strengthened its management team with two new employees: Simon Thomas Hagspiel as the new Chief Commercial Officer and Alexander Sjöberg as the new Head of HR.

Midsummer announces a research collaboration with the University of California, Los Angeles: Using the company's DUO machine, researchers at UCLA have succeeded in developing a perovskite/CIGS tandem solar cell with 24.9 per cent efficiency.

The Board of Directors of Midsummer resolves on a rights issue of units amounting to approximately SEK 278 million. The issue proceeds will strengthen the company's working capital and enable it to scale up production and sales.

Midsummer receives bondholder approval for amendments to the terms and conditions of the outstanding SEK 200 million green bond. This includes extending the maturity of the bonds by three years.

In April, Midsummer Italia receives a first grant payment of approximately SEK 75 million from the Italian investment authority Invitalia for the establishment of the factory in Bari, Italy. This follows the delivery of the three DUO machines in February, bringing the total number of machines installed in Bari to five.

An extraordinary general meeting was held on 14 April, which approved all of the Board's proposals, including a rights issue, a performance-based long-term incentive programme for employees and a long-term warrant programme for senior executives.

Together with the University of New South Wales (UNSW) and the world's three largest solar panel manufacturers, Midsummer has been granted funding for a research project to develop a silicon/CIGS tandem solar cell with 30 per cent efficiency. This research will be conducted on Midsummer's UNO research machine, and the aim is to develop a highly efficient and stable tandem solar cell with over 30 per cent efficiency.

Note 29 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; for more information see note 23. 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 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 recognises 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.

Note 30 Proposed appropriation of profits

The following amounts in TSEK are at the disposal of the Annual General Meeting:	
Share premium reserve	530 037
Retained earnings	-344 075
Profit for the year	77 497
Total	**263 459**

The Board of Directors proposes that the company's equity, including the share premium reserve, be distributed as foll	263 459
be carried forward	-266 578
of which to the share premium reserve	530 037

Note 31 Information about the parent company

Midsummer AB is a Swedish limited liability company with its registered office in Stockholm.
The parent company's shares are registered on Nasdaq First North Premier Growth Market.

The address of its head office is:

Elektronikhöjden 6
SE-175 43 JÄRFÄLLA, Sweden
SVERIGE

The 2022 consolidated financial statements comprise the parent company and its subsidiary, jointly referred to as the Group.

Note 32 Correction

In 2022, an incorrect booking was made on a repurchased machine. The machine was incorrectly removed from the general ledger at the time of sale.

This is corrected by a decrease in work in progress of TSEK -84,282 (TSEK -92,342) and a corresponding increase in raw materials and consumables of TSEK -89,772 (TSEK -81,712).
The correction results in an adjustment to the result for the year of TSEK -87,836 (TSEK -95,896) for the Group.

The Board of Directors and Chief Executive Officer certify that the annual accounts have been prepared in accordance with generally accepted accounting policies in Sweden, and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and the consolidated financial statements give a true and fair view of the parent company's and the Group's financial position and results of operations. The administration report for the parent company and the Group provides a true and fair overview of the development of the parent company's and the Group's business activities, financial position and results of operations as well as the significant risks and uncertainties which the parent company and the companies included in the Group are exposed to.

Signatures/submission of the report

As stated above, the annual accounts and consolidated accounts were approved for issue by the Board of Directors and the Chief Executive Officer on 20 April 2023. The consolidated statement of income and other comprehensive income, the statement of financial position and the parent company income statement and balance sheet will be subject to adoption at the Annual General Meeting on 07 June 2023.

Stockholm, 20 April 2023

Jan Johansson
Board Chair

Jan Lombach
Board Member

Lisa Pers-Ohlsén
Board Member

Philip Gao
Board Member

Johan Magnusson
Board Member

Lars-Ola Lundkvist
Board Member

Sven Lindström
CEO

Our Audit Report was presented on 20 April 2023.

KPMG AB
Mattias Lötborn
Authorised Public Accountant

Revisionsberättelse

Till bolagsstämman i Midsummer AB (publ), org. nr 556665-7838

Rapport om årsredovisningen och koncernredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen och koncernredovisningen för Midsummer AB (publ) för år 2022 med undantag för bolagsstyrningsrapporten på sidan 26. Bolagets årsredovisning och koncernredovisning ingår på sidorna 18-84 i detta dokument.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av moderbolagets finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Koncernredovisningen har upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av koncernens finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt International Financial Reporting Standards (IFRS), så som de antagits av EU, och årsredovisningslagen. Våra uttalanden omfattar inte bolagsstyrningsrapporten på sidan 26. Förvaltningsberättelsen är förenlig med årsredovisningens och koncernredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för moderbolaget samt rapport över totalresultat och rapport över finansiell ställning för koncernen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Annan information än årsredovisningen och koncernredovisningen

Detta dokument innehåller även annan information än årsredovisningen och koncernredovisningen och återfinns på sidorna 1-17. Det är styrelsen och verkställande direktören som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen och koncernredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen och koncernredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen och koncernredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen och koncernredovisningen upprättas och att de ger en rättvisande bild enligt årsredovisningslagen och, vad gäller koncernredovisningen, enligt IFRS så som de antagits av EU. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning och koncernredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen och koncernredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets och koncernens förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen och koncernredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen och koncernredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

— identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen och koncernredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

— skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

— utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

KPMG

- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen och koncernredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets och koncernens förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen och koncernredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen och koncernredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag och en koncern inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen och koncernredovisningen, däribland upplysningarna, och om årsredovisningen och koncernredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.
- inhämtar vi tillräckliga och ändamålsenliga revisionsbevis avseende den finansiella informationen för enheterna eller affärsaktiviteterna inom koncernen för att göra ett uttalande avseende koncernredovisningen. Vi ansvarar för styrning, övervakning och utförande av koncernrevisionen. Vi är ensamt ansvariga för våra uttalanden.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Revisorns granskning av förvaltning och förslag till disposition av bolagets vinst eller förlust

Uttalanden

Utöver vår revision av årsredovisningen och koncernredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Midsummer AB (publ) för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelseledamoten och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets och koncernens verksamhetsart, omfattning och risker ställer på storleken av moderbolagets och koncernens egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets och koncernens ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om styrelseledamoten eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Revisorns granskning av Esef-rapporten

Uttalande

Utöver vår revision av årsredovisningen och koncernredovisningen har vi även utfört en granskning av att styrelsen och verkställande direktören har upprättat årsredovisningen och koncernredovisningen i ett format som möjliggör enhetlig elektronisk rapportering (Esef-rapporten) enligt 16 kap. 4 a § lagen (2007:528) om värdepappersmarknaden för Midsummer AB (publ) för år 2022.

Vår granskning och vårt uttalande avser endast det lagstadgade kravet.

Enligt vår uppfattning har Esef-rapporten upprättats i ett format som i allt väsentligt möjliggör enhetlig elektronisk rapportering.

Grund för uttalande

Vi har utfört granskningen enligt FARs rekommendation RevR 18 *Revisorns granskning av Esef-rapporten*. Vårt ansvar enligt denna rekommendation beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Midsummer AB (publ) enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de bevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för vårt uttalande.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att Esef-rapporten har upprättats i enlighet med 16 kap. 4 a § lagen (2007:528) om värdepappersmarknaden, och för att det finns en sådan intern kontroll som styrelsen och verkställande direktören bedömer är nödvändig för att upprätta Esef-rapporten utan väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Revisorns ansvar

Vår uppgift är att uttala oss med rimlig säkerhet om Esef-rapporten i allt väsentligt är upprättad i ett format som uppfyller kraven i 16 kap. 4 a § lagen (2007:528) om värdepappersmarknaden, på grundval av vår granskning.

RevR 18 kräver att vi planerar och genomför våra gransknings-åtgärder för att uppnå rimlig säkerhet att Esef-rapporten är upprättad i ett format som uppfyller dessa krav.

Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en granskning som utförs enligt RevR 18 och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i Esef-rapporten.

Revisionsföretaget tillämpar ISQC 1 *Kvalitetskontroll för revisionsföretag som utför revision och översiktlig granskning av finansiella rapporter samt andra bestyrkandeuppdrag och näraliggande tjänster* och har därmed ett allsidigt system för kvalitetskontroll vilket innefattar dokumenterade riktlinjer och rutiner avseende efterlevnad av yrkesetiska krav, standarder för yrkesutövningen och tillämpliga krav i lagar och andra författningar.

Granskningen innefattar att genom olika åtgärder inhämta bevis om Esef-rapporten har upprättats i ett format som möjliggör enhetlig elektronisk rapportering av årsredovisningen och koncernredovisningen. Vi väljer vilka åtgärder som ska utföras, bland annat genom att bedöma riskerna för väsentliga felaktigheter i rapporteringen vare sig dessa beror på oegentligheter eller misstag. Vid denna riskbedömning beaktar vi de delar av den interna kontrollen som är relevanta för hur styrelsen och verkställande direktören tar fram underlaget i syfte att utforma granskningsåtgärder som är ändamålsenliga med hänsyn till omständigheterna, men inte i syfte att göra ett uttalande om effektiviteten i den interna kontrollen. Granskningen omfattar också en utvärdering av ändamålsenligheten och rimligheten i styrelsens och verkställande direktörens antaganden.

Granskningsåtgärderna omfattar huvudsakligen validering av att Esef-rapporten upprättats i ett giltigt XHTML-format och en avstämning av att Esef-rapporten överensstämmer med den granskade årsredovisningen och koncernredovisningen.

Vidare omfattar granskningen även en bedömning av huruvida koncernens resultat-, balans- och egetkapitalräkningar, kassaflödesanalys samt noter i Esef-rapporten har märkts med iXBRL i enlighet med vad som följer av Esef-förordningen.

Revisorns granskning av bolagsstyrningsrapporten

Det är styrelsen som har ansvaret för bolagsstyrningsrapporten på sidan 26 och för att den är upprättad i enlighet med årsredovisningslagen.

Vår granskning har skett enligt FARs uttalande RevR 16 Revisorns granskning av bolagsstyrningsrapporten. Detta innebär att vår granskning av bolagsstyrningsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för våra uttalanden.

En bolagsstyrningsrapport har upprättats. Upplysningar i enlighet med 6 kap. 6 § andra stycket punkterna 2-6 årsredovisningslagen samt 7 kap. 31 § andra stycket samma lag är förenliga med årsredovisningens och koncernredovisningens övriga delar samt är i överensstämmelse med årsredovisningslagen.

Stockholm den 20 april 2023

KPMG AB

Mattias Lötborn

Auktoriserad revisor

Management

Sven Lindström, CEO

Sven Lindström is one of the founders of Midsummer and has previous experience from the CD/DVD industry, including as subsidiary manager for M2 America Corp, which was M2 Engineering AB's wholly owned American subsidiary. He was previously the product manager for their recordable CD and DVD formats. Before that, he worked at Mannesmann VDO AG in Frankfurt and IBM Svenska AB in Järfälla. Master of Science in Industrial Economics, international with Japanese specialisation from the Institute of Technology at Linköping University.

Eric Jaremalm, Deputy CEO

Eric Jaremalm is one of the founders of Midsummer and is responsible for matters related to the company's expansion and strategies, forecasts and scenarios, key customer relationships, general funding and investments. Prior experience from companies such as Micronic Japan KK, with responsibility for research and development cooperation with Japanese semiconductor manufacturers, and as project manager for installation and production start-up of semiconductor manufacturing equipment in Japan. Eric, who was a classmate of Sven Lindström, has the same Master of Science in Industrial Economics, international with Japanese specialisation from the Institute of Technology at Linköping University. Eric also studied in Japan for two years, at Meiji University in Tokyo and Nanzan University in Nagoya. Eric Jaremalm speaks Japanese.

Åsa Jynnesjö, Chief Financial Officer

Åsa Jynnesjö has been Midsummer's Chief Financial Officer since 2022. She has worked as a Chief Financial Officer for more than ten years, most recently for Automile AB (electronic driving log and fleet management), and before that for Nordenta (dental depot). Åsa also has a background as an auditor at PwC, where she worked for more than six years. She holds degrees in both economics and commercial law from Uppsala University.

Klara Takei, Head of Research and Development

Klara Takei is Head of Research and Development at Midsummer and responsible for the development of solar cells and modules, as well as the materials used. She has previously worked in the glass industry and with her own art glass, including at Hadeland Glassverk in Norway and several smaller studio glassworks in the Nordic countries and the UK. Since becoming an engineer, Klara joined Midsummer in 2014.

Klara Takei has a Master of Science degree in Materials Design from KTH Royal Institute of Technology with a master's degree in sustainable energy technology, as well as a vocational degree from the National School of Glass in Orrefors.

Alex Witt, Head of Operations

Alex Witt has worked at Midsummer since 2010 as Head of Production, Head of Software and now Head of Operations. After his studies, Alex worked at Micronic Laser System (now known as Mycronic) in Täby. He worked at Micronic for 8 years, where he installed machines at customer sites and worked as a service engineer and a project manager. Micronic produced large laser engravers for the production of photomasks used in the manufacture of flat panel displays. Alex has also worked as a designer/project manager for Trancel (now known as Restatic Trancel) in Frölunda, Gothenburg. Trancel manufactures machinery for the paper industry, and the installations were usually large systems with various stations with belt conveyors between stations where the system could be more than 100 metres long. Alex has a Master's degree in Mechanical Engineering from KTH Royal Institute of Technology in Stockholm, specialising in computer support for design and manufacturing.

Maria Huttunen, Head of Design

Maria Huttunen has been the Head of Design at Midsummer since 2016 and is responsible for the design department's hardware development. She joined Midsummer in 2010 as a Junior Machine Designer after completing her thesis on recyclability of materials at Bombardier Transportation in Västerås. Maria has a Master of Science in Design and Product Development from KTH Royal Institute of Technology in Stockholm.

Torbjörn Andersson, Head of Installation

Torbjörn Andersson has worked at Midsummer since 2017, focusing on the DUO machines and process development. Before joining Midsummer, Torbjörn was a project manager and technology developer at Techmarket Sweden AB. Torbjörn has a degree from the Chemical Engineering programme at the Royal Institute of Technology, focusing on energy and environmental technology. He also studied languages and engineering at Tsinghua University in Beijing and holds a degree in business administration and management from Blekinge Institute of Technology.

Erik Olsson, Head of Corporate Development

Erik Olsson is Head of Corporate Development and works on the company's strategy, business development and public affairs. Erik has followed Midsummer since its inception, as a board member between 2007 and 2011 and in his current role since 2022. He has previously worked in business development, commercialisation and financing in the field of energy and environmental technology. His previous employers include Tekniska verken i Linköping, Sol Voltaics, the Swedish Energy Agency and several start-up companies such as Bond Technologies and Universitets holding (Innovationssystemet). Erik holds a Master's degree in business administration from the School of Business, Economics and Law at the University of Gothenburg and an MBA from Hult International Business School in San Francisco.

Johan Oliv, Technical Manager Solar Panels

Johan Oliv has worked at Midsummer since 2007 as a project manager and process manager, and now as a technical manager. Over the years, he has been involved in the process development of Midsummer's thin-film solar cell and the development of the flexible solar panel. Before Johan started working at Midsummer, he worked for five years at Micronic Laser System (now Mycronic) in Täby, where he was project manager for the installation and production start-up of equipment for the manufacture of semiconductors in Asia. Johan Oliv has a Master of Science in Engineering Physics from Uppsala University, specialising in Materials Science.

Anders Thun, Head of Marketing

Anders Thun has been Midsummer's Head of Marketing since 2022. His last job was in the spare parts industry for cars, and he has previously held several international marketing positions at Saab Automobile AB. Anders has also worked in communications at Chalmers University of Technology. He has studied subjects such as media and communication science, international relations, conflict resolution and business administration at the University of Gothenburg and University West.

Peter Karaszi, Head of Communications

Peter Karaszi has been working with Midsummer's communications since 2013, and has been the company's Head of Communications since 2021. He has more than 30 years of experience in PR and IR work from companies such as Prime Weber Shandwick and several listed and unlisted technology companies. He has written six books on PR and communication. Peter has a Master of Science in Economics from the Stockholm School of Economics.

Alexander Sjöberg, Head of HR

Alexander Sjöberg has been Midsummer's Head of HR since 2023. He has been an HR and management professional for more than a decade. His most recent position was as an HR manager for an international construction company, and he ran his own consultancy business with assignments focusing on organisation, new establishment and upscaling. Alexander has a degree in human resources from Örebro University, specialising in organisational development and labour law.

Simon T Hagspiel, Chief Commercial Officer

Simon T Hagspiel is Chief Commercial Officer (CCO) for Midsummer. He has more than 20 years of sales and management experience in leading positions at global manufacturing companies, most recently as Sales Manager for Sandvik Design Planning and Automation. His previous employers include Ejendals, Kienbaum Management Consultants China, Danaher, SABIC, GE Plastics, Ericsson and Stora Enso North America. Simon T Hagspiel holds a Master of Science in Engineering from Chalmers University of Technology and MBAs from both the University of Gothenburg and Concordia University (Montreal, Canada).

Board of Directors

Jan Johansson – Board member since 2021, Chairman since 2021

Jan Johansson was previously the CEO of SCA and Boliden and has held senior executive roles at companies such as Telia, Vattenfall and Shell. He has a Master's in Law from Stockholm University. Other Board assignments include Vinda, Organoclick, Optigroup, Kährs Group and Serneke. Independent of the Company and its major shareholders.

Jan Lombach – Board member since 2006

Jan Lombach is a lawyer working in the field of venture capital. He was a partner in Advokatfirman Vinge KB between 1993 and 2008 and an international partner in the law firm White & Case LLP between 2008 and 2012, and now runs his own business. Other board assignments include Chairman of the board of Cliens Kapitalförvaltning AB and board member of the Swedish Shareholders' Association. Jan Lombach has a law degree and studied economics and business administration at Uppsala University and Harvard University. Independent of the Company and its major shareholders.

Johan Magnusson – Board member since 2021

Johan Magnusson has been the President and CEO of Kährs Group since 2019. He was previously the CEO of Owens Corning Group, responsible for Paroc Technical Insulation. He has held senior executive roles at Assa Abloy, Ruukki, Swedoor and Hilding Anders. Johan has a Master's in Business and Management from Växjö University. No other Board assignments outside Kährs Group. Independent of the Company and its major shareholders.

Lisa Pers-Ohlsén – Board member since 2021

Lisa Pers-Ohlsén is a freelance marketer and communicator. Her previous jobs include Head of Marketing of Comfort-kedjan AB and Rusta AB, and strategist for the communication agency RBK Communication. Lisa has a Master's in Business and Management, specialising in marketing from Uppsala University. Independent of the Company and its major shareholders.

Lars-Ola Lundkvist – Board member since 2022

Lars-Ola Lundkvist is an international business leader with a focus on technology companies. His current and previous board and management assignments include Lagercrantz Group, Kraftpojkarna AB, Deva Group, Beijer Electronics Group, Automation Region and ABB. Independent of the Company and its major shareholders.

Mr. Philip Gao – Board member since 2015

Philip Gao is CEO of Sunflare Solar Co. in California and is responsible for sales in the US market. Philip holds a bachelor's degree in economics and environmental science from the University of California, Santa Cruz. Independent of the Company and its major shareholders.