

# 2023 ANNUAL REPORT

Midsummer AB (publ)



The Board of Directors and the CEO hereby submit  
the annual report for Midsummer AB (publ) 556665-7838 for  
the 1 January 2023 to 31 December 2023 financial year

# Introduction

## **A brighter future for European solar panels**

Globally, solar energy has become the largest energy source of newly installed electricity generation capacity. According to Bloomberg NEF, solar energy accounted for about two-thirds of all new power generation installed globally. The advantage of solar energy is that it can be expanded quickly. As such, this type of energy may help drive the transition at times when we need more electricity because of the increasing electrification of society, and when we need more renewable electricity to replace existing fossil-based electricity generation so that we can achieve set climate targets.

An important milestone during the year was the decision by the world's countries at the COP28 climate summit in Dubai to 'move away' from fossil fuels. This is the first time a decision to cut fossil fuels was taken. The COP28 also reiterated that countries should limit warming to 1.5 degrees, which requires "a thorough, rapid and sustained reduction" of greenhouse gas emissions.

This will be done in stages: a 43% reduction by 2030 compared to 2019 levels, a 60% reduction by 2035, and net zero emissions by 2050. Reaching these targets will require continued large investments in renewable electricity generation.

## **Solar energy still accounts for less than two per cent of Sweden's electricity production**

According to the Swedish Energy Agency, solar power supplied 3.1 TWh in Sweden in 2023. This is equivalent to around 1.9 per cent of all electricity generated in Sweden during the year. In total, 103,936 installations with a capacity of 1,598 MW were installed, which is double the installed capacity compared to 2022.

In its surveys, the Swedish Solar Energy Association (Svensk Solenergi) expects a somewhat weaker market, mainly for housing. This reflects a more difficult economic situation for many homeowners who are opting to postpone major capital-intensive purchases in the face of falling

real wages and higher interest rates. Looking at Europe, growth is expected to remain very strong. In Europe, 56 GW of new capacity was installed in 2023, which is an increase of about 40 per cent from the previous year. In total, we had 263 GW of installed capacity in Europe in 2023. This is encouraging, but we still need to increase installed capacity threefold if we are to reach REPowerEU's (very realistic) target of 750 GW of solar energy by 2030.

In response to strong market signals from Europe, in 2023, Midsummer decided to shift its focus from Sweden as the single main market for its panels to making the whole of Europe its home market. We are doing this, in particular, by establishing several important partnerships within each country.

## **Production capacity in Europe is shrinking**

Nonetheless, Europe needs to achieve two objectives, both of which are equally important for a sustainable energy system. In addition to the continued strong growth in installations that is needed to achieve REPowerEU's targets, we also need to repatriate generation from Asia, mainly China. The European Solar PV Industry Alliance has set a target of at least 30 GW of European solar panel production capacity by 2025. The problem is that Europe's production capacity shrank during the year at the same rate as solar panel production would have grown!

In this respect, market developments went in the wrong direction and many of the European silicon panel manufacturers were forced to close down as the price per watt of a silicon panel was halved on the European market. Competition from Chinese silicon panels has had a devastating effect. Today, China accounts for about 98 per cent of all global wafer manufacturing. Not only is this a monopoly, but it also creates other problems, such as the fact that around 45% of silicon is produced in the province of Xinjiang, where the Uighur people in particular are systematically forced to work in factories under slave-like conditions, as reported by the UN, and that several countries have labelled this practice as a genocide.

## **Europe flooded by cheap Chinese solar panels**

Many markets, including the United States, do not currently accept solar panels manufactured

in these circumstances. The USA implemented the Uyghur Force Labour Prevention Act (UFLPA) in the latter part of 2022. It prohibits the import of products made wholly or partly with forced labour in Xinjiang. The US authorities have identified several major manufacturers of silicon panels and imposed import bans on US wholesalers and installers of these panels. India, too, has imposed import restrictions and tariffs on Chinese panels. As Europe neither operates tariffs nor has adopted laws against the importation of these panels, shipments are diverted to Europe. As Europe neither operates tariffs nor has adopted laws against the importation of these panels, shipments are diverted to Europe. As Europe neither operates tariffs nor has adopted laws against the importation of these panels, shipments are diverted to Europe.

The closure of two main markets has resulted in a flood of Chinese silicon panels destined for the USA and India being sold in Europe at record low prices. Tariff elimination and price dumping forced most of Midsummer's European peers to scale down, relocate or shut down their production in 2023. On a brighter note, the EU has finally started work to develop its own directives on tariffs and rules for silicon panels manufactured under unethical labour conditions.

### **Further market distortions caused by material tariffs**

Solar cell manufacturers in Sweden and Europe have to pay customs duties on materials imported into Europe, while solar panels manufactured in China are imported duty-free. Midsummer needs to pay import duties on materials for its manufacturing in Sweden. One example is the customised plastic film (frontsheet) purchased from 3M in the USA. It is subject to a 6.5 per cent duty. The material is only used in the manufacture of solar panels and has no other direct applications. However, the Swedish Customs are not allowing us to import it as a 'part of a solar cell'. Instead, it has to be customs cleared as 'plastic film'. This is not a level playing field. Until 2018, Swedish individuals and companies importing solar panels from China had to pay customs duties. After this levy was abolished, end customers have been able to import Chinese solar panels at a lower cost. The elimination of import duties on finished solar panels has strengthened

Chinese solar panel manufacturers, who are already strong and who currently dominate the global market.

Import tariffs are usually imposed in an attempt to protect domestic producers from foreign competition. The idea is to make imported goods more expensive so as to make domestic alternatives more attractive. The overall beneficiaries of import tariffs are certain domestic manufacturers who can increase their sales and profits. The current system, whereby import duties are levied on materials but not on panels, works in exactly the opposite way, protecting overseas Chinese manufacturers and significantly hampering domestic production. Since Midsummer has to pay import duties to bring materials into Sweden, our competitiveness and profitability increases if we relocate manufacturing abroad (e.g., the USA, India or China) and then import finished panels into Sweden without paying customs duties.

### **EU subsidy for a new solar cell factory in Sweden**

In 2023, Midsummer was granted an EU subsidy for a solar cell factory in Sweden. This subsidy gave us a forum within which to raise the issue of the solar panel market directly with the EU. We note that the EU sees great potential in the domestic production of green technologies, both to help meet climate targets and to avoid shifting energy dependence from Russia to China.

Today, Midsummer is the only company in Europe to offer certified panels that are lightweight, environmentally sustainable and that can be seamlessly integrated into the building. Thanks to the unique characteristics of our products, we are opting against direct competition with Chinese silicon panels. Instead, we are focusing on selling our panels to customers whose needs can be met by our panels, unlike standard panels.

Such customers include a vast number of industrial roofs in Sweden and Europe that cannot support the weight of silicon panels. Another example is properties with higher aesthetic aspirations, where the client is reluctant to change the building's architecture. Naturally, yet another important segment is those customers who are looking to buy panels that are traceable in the supply chains, guaranteed to be free of forced labour, and have

the lowest carbon footprint in the world based on the product's life cycle.

**Unique features help to 'protect' markets**

By operating in 'protected' markets, we will be able to scale up our panel deliveries in Europe with our partners' help.

We can meet the growing demand for our panels with such unique features. As we scale up our manufacturing capacity from our current small output in Järfälla, Sweden, to much larger and more automated volumes in Bari, Italy, we are also reducing the production costs of our solar panels. With the support of the EU Innovation Fund's DAWN project, we will continue to expand production in Sweden, further increasing our competitiveness without directly competing with Chinese silicon.

Even assuming a future where Swedish and Italian plants are operating at full capacity (around 250 MW), this is less than 0.5 per cent of Europe's installed market in 2023. We look forward to continuing to grow our manufacturing capacity in the coming years and becoming a leading global manufacturer of flexible thin-film solar cells.

**EU Parliament decides on the EU Solar Standard**

In March 2024, the European Parliament adopted the EU Solar Standard under the European Performance of Buildings Directive (EPBD). This new legislation provides guidelines for the installation of photovoltaic panels on public and residential buildings, which will apply across the EU. As a result, photovoltaic installations will have to be included in new construction projects, and that public buildings may have to install solar panels retroactively. The EPBD will take effect gradually, with new public buildings in 2026, commercial and public buildings being renovated in 2027, new residential buildings in 2029 and existing public buildings in 2030.

This is exactly the market that Midsummer is focusing on, as many of these buildings are unable to support the weight of silicon panels and have stricter requirements for both panels' architectural aesthetics and environmental sustainability. Only one tenth of Swedish public buildings are equipped with solar panels. The remaining potential is between 61 and 95 per cent of the roof area, depending on the segment. We estimate that the needs are equally high in all European countries.

**Unique features help to 'protect' markets**

By operating in 'protected' markets, we will be able to scale up our panel deliveries in Europe with our partners' help.

We can meet the increasing demand for our panels with such unique features. As we scale up our manufacturing capacity from our current small output in Järfälla, Sweden, to much larger and more automated volumes in Bari, Italy, we are also reducing the production costs of our solar panels. With the support of the EU Innovation Fund's DAWN project, we will continue to expand production in Sweden, further increasing our competitiveness without directly competing with Chinese silicon.

Even assuming a future where Swedish and Italian plants are operating at full capacity (around 250 MW), this is less than 0.5 per cent of Europe's installed market in 2023. We look forward to continuing to grow our manufacturing capacity in the coming years and becoming a leading global manufacturer of flexible thin-film solar cells.



**Erik Olsson**  
Midsummer's Head of  
Corporate Development

## **Midsummer's vision**

Using the most sustainable solar panel, we are changing the way we think about conventional roofs and accelerating the transition to renewable energy.

# Contents

Introduction.....	3
Midsummer in brief.....	8
Significant events in 2023 as a whole.....	9
Key performance indicators.....	11
Midsummer’s CEO.....	12
Midsummer’s sustainability efforts.....	14
The year in brief.....	16
Midsummer solar cells open new application areas.....	17
Midsummer's three product areas are:.....	18
Directors’ Report.....	19
Note 1 - Significant accounting policies.....	38
Note 2 - Revenue.....	49
Note 3 - Operating segments.....	50
Note 4 - Other operating income.....	51
Note 5 - Other operating expenses.....	51
Note 6 - Employees, personnel costs and remuneration of senior executives.....	52
Note 7 - Auditor’s fees and expenses.....	55
Note 8 - Net financial income.....	55
Note 9 - Taxes.....	56
Note 10 - Earnings per share.....	58
Note 11 - Intangible fixed assets.....	60
Note 12 - Property, plant and equipment.....	62
Note 13 - Non-current and other receivables.....	64
Note 14 - Inventories.....	64
Note 15 - Prepaid expenses and accrued income.....	65
Note 16 - Equity.....	65
Note 17 - Interest-bearing liabilities.....	67
Note 18 - Liabilities to credit institutions.....	68
Note 19 - Provisions.....	68
Note 20 - Accrued expenses and deferred income.....	69
Note 21 - Fair value measurement of financial assets and liabilities and categorisation ..	70
Note 22 - Financial risks and risk management.....	71
Note 23 - Leasing.....	75
Note 24 - Pledged assets, contingent liabilities and contingent assets.....	77
Note 25 - Group companies.....	77
Note 26 - Specifications to the statement of cash flows.....	78
Note 27 - Related party transactions.....	81
Note 28 - Events after the balance sheet date.....	81
Note 29 - Key estimates and judgments.....	82
Note 31 - Information on the parent company.....	83
Signatures/submission of the report.....	84
Auditor’s report.....	85
Management.....	88
Board of Directors.....	89



## Midsummer in brief

Midsummer develops, manufactures and sells solar cells to players in the construction, roofing and solar cell installation industries. It also manufactures, sells and installs solar panel roofs directly to end customers. In addition, the company develops and sells equipment for the production of flexible thin-film solar cells for strategically selected partners and machines used in research by universities and research institutions.

Founded in 2004, Midsummer now owns the entire chain, from manufacturing equipment to installed solar roofs. Manufacturing takes place in Sweden, but is scheduled to start in Italy, too, in early 2024. Solar cells manufactured by Midsummer are CIGS (copper, indium, gallium, selenium) solar cells. They are thin, lightweight, flexible, unobtrusive, easy to install and have a carbon footprint that is only one-tenth the size of silicon solar panels.

Midsummer's technology and products are considered to be favourably positioned to meet future needs and expectations in a market that has experienced strong global growth, one in which aesthetics and minimal climate footprint are increasingly becoming important factors for discerning customers. Midsummer's products also open doors to a previously untapped market for solar cells installed on weak roofs.

The new factory in Italy with a 50 MW production capacity makes Midsummer the largest manufacturer of thin-film solar cells in Europe. Midsummer is also planning a 200 MW plant in Sweden. The company's shares are quoted on the Nasdaq First North Premier Growth Market.



## Significant events in 2023 as a whole

- ▶ Consolidated net sales for the full year totalled SEK 49 630 thousand (SEK 53 376 thousand). Consolidated earnings per share for the full year were SEK -2.15/share (SEK -1.30/share) before and after dilution.
- ▶ In January, the company carried out a directed share issue of approximately SEK 20 million.
- ▶ In March, it announced a collaborative research project with the University of California, Los Angeles (UCLA) to develop a perovskite-CIGS tandem solar cell with 24.9 per cent efficiency.
- ▶ In April, Midsummer Italia received a first grant payment of approximately SEK 75 million from the Italian investment authority Invitalia for the establishment of the factory in Bari, Italy.
- ▶ In April, Midsummer, along with the University of New South Wales (UNSW) and the world's three largest solar panel manufacturers, was awarded funding for a research project to develop a silicon-CIGS tandem solar cell. Conducted using Midsummer's UNO research machine at UNSW in Sydney, the project aims to produce a highly efficient and stable tandem solar cell with over 30 per cent efficiency.
- ▶ In May, the company carried out a rights issue of approximately SEK 180 million before issue costs in order to finance the completion of DUO machines, other manufacturing equipment and the adaptation of the factory facility in Bari, Italy.
- ▶ The terms of the SEK 200 million green bond loan were changed in connection with the rights issue, which meant, among other things, extending the maturity by three years.
- ▶ In May, Midsummer received a solar roof order for more than 25 holiday homes in a golf village in Ekerum on the island of Öland. The association decided to allow only Midsummer's Wave solar panels for aesthetic reasons.
- ▶ Three new members with experience in global consumer products, the property market and purchasing/negotiation management were elected at the company's AGM in June. They are: Robert Sjöström (new Chairman of the Board), Mikael Nicander and Christel Prinsén.

► In June, the company also received an order for a 500 square metre solar roof from Pioneer Knitwears, one of the leading textile companies in Bangladesh. The roof covers a small part of Pioneer’s textile factory and is financed by its customer, one of the world’s largest clothing retailers.

The solar cell installation was completed in January 2024.

► In June, Midsummer installed a solar roof at Saxi, a wall manufacturer in western Sweden. The roof measures about 1450 square metres and covers Saxi’s factory and headquarters in Stenkullen.

► Over the summer, Midsummer began installing solar roofs in The Hamptons, USA, one of the world’s most exclusive residential areas.

► In July, Midsummer was selected by the EU Innovation Fund as the recipient of a grant of over EUR 32 million for a new 200 MW megafactory in Sweden for the production of thin-film solar cells. At the end of the year, negotiations on the terms of the grant were finalised and the agreement with the Innovation Fund signed.

► In August, Scania launched its world-first

solar-powered hybrid lorry, for which Midsummer is supplying solar panels. It is the first lorry in the world to use solar panels to power its powertrain. The solar energy produced by the lorry itself is expected to significantly reduce operating costs and emissions.

► In the autumn, Midsummer began extensive long-term cooperation with Finland’s leading supplier of roofing materials, Katepal. Katepal began offering Midsummer’s thin, lightweight solar panels to its customers in Finland.

► Midsummer launched an efficiency improvement programme that includes a reorganisation of the Group and some redundancies, as well as a strategic review of the Group’s short- and long-term financing. The programme is estimated to provide savings of more than SEK 40 million on an annual basis and also short-term improvements in the capital employed.

► The company carried out a fully guaranteed rights issue of SEK 66 million.



# Key performance indicators

TSEK	Jan.-Dec. 2023	Jan.-Dec. 2022
Net sales	49 630	53 376
Operating profit	-200 783	-93 077
EBITDA	-130 987	-58 728
Profit before tax	-225 265	-88 967
Comprehensive income for the period	-222 528	-69 471
Operating margin	Negative	Negative
EBITDA margin	Negative	Negative
Equity/assets ratio	37,61%	46,46%
Cash flow for the period	17 812	-157 696
Consolidated earnings per share		
– before dilution (SEK)	-2,15	-1,30
– after dilution (SEK)	-2,15	-1,30

## Definitions and descriptions of alternative key performance indicators

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

### Operating profit

Operating profit is the profit before net financial items and taxes.

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

### EBITDA

Operating profit before depreciation/amortisation and impairment

EBITDA is a measure that the Group considers relevant for an investor who wants to understand the generation of earnings before investment in fixed assets.

### Operating margin

Operating margin is a measure that aims to show the profitability ratio of operating activities.

### EBITDA margin

EBITDA / Net turnover

EBITDA margin is a measure that the Group considers relevant for an investor who wants to understand the profit generation in relation to the turnover before investments in fixed assets.

### Equity ratio

Equity relative to the balance sheet total

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

# Midsummer's CEO

## A new strategy for a new era

Until 2023, Midsummer mainly manufactured and installed solar cells for private homes in Sweden. Our main selling points were high aesthetics, an extremely low carbon footprint and the fact that our products are made in Sweden, from raw material to finished product.

Our sales were constrained by our low production capacity in Järfälla, and at times by our own installation capacity. We completed over 400 installations in Sweden, mostly of Midsummer WAVE and Midsummer SLIM.

Since autumn 2022, we have targeted a completely different solar market, one with much higher market potential. Specifically, we have identified a market for large, flat roofs on commercial buildings in Europe, which far exceeds the size of the residential market in Sweden. Between 20 and 80 per cent of existing commercial buildings in Europe cannot support the

weight of traditional silicon panels. The proportion of such building is higher in Southern and Eastern Europe, whereas it is the lowest in the Nordic countries. There has been no suitable solar solution for these roofs until now and very few solar installations have been made on them.

## Solar cell requirements for roof renovations

At the same time, the EU has been working on harmonising rules to ensure that all roofs in the Union have solar panels. In mid-March, the European Parliament voted in favour of the EU Solar Standard. Among other things, it explicitly requires the installation of photovoltaic panels where roof renovations are carried out on existing commercial and public buildings. These rules will apply across the EU from 2027, but many major EU countries are further ahead and have already started imposing these requirements on the market.

For more than a year now, we have signed co-operation agreements with a number of roofing material suppliers and roofing companies. Working with them, we have the opportunity to present a complete solution – one that offers solar cells integrated into the roofing material. This also means that only one installation is required for the customer, with the roofers also installing solar panels.

In some markets, this solution requires special fire, wind load and adhesion certifications. In France, for example, we have worked with Soprasolar, a subsidiary of Soprema, one of the world's largest roofing material manufacturers, for over a year to certify our joint solution for the French market. We received this certification in the first quarter of 2024, which means we can start selling in this huge market.

## Production is no longer subject to capacity constraints

Soprasolar's integrated silicon panel system has been installed on more than 15 million square metres of roofs in France, representing approximately 750 MW of solar panels, in conjunction



Eric Jaremalm  
Midsummer's CEO

with roofing material installations. However, the company estimates that it has turned down about the same amount of solar capacity because customers' roofs could not support the weight of their silicon solution. Midsummer's products are the solution to this problem not only in France but in the entire European roofing market.

Thanks to our 50 MW Italian plant, which we have begun to bring on stream in the first quarter of 2024, we are no longer constrained by our production capacity. We will be able to scale up production in Italy in line with our sales growth.

Our partnership agreements with roofers also mean that we are no longer short of installation capacity. In 2024, we will therefore finally be able to fully focus on the sale of solar panels for large flat roofs through our sales network in Europe.

**Vastly bigger deals**

Actually, we will not have to close any more deals than we did when we sold to the retail market in Sweden, but each deal will be ten to a hundred times bigger. The sales process is different and each sale will take longer. While it is difficult to estimate how quickly all quote enquiries will lead to actual orders, we have never had anywhere near the volume of quotes out there that we do today. This suggests that both our order book and sales volumes will expand gradually over the year.



Eric Jaremalm  
Midsummer's CEO

# Midsummer’s sustainability efforts

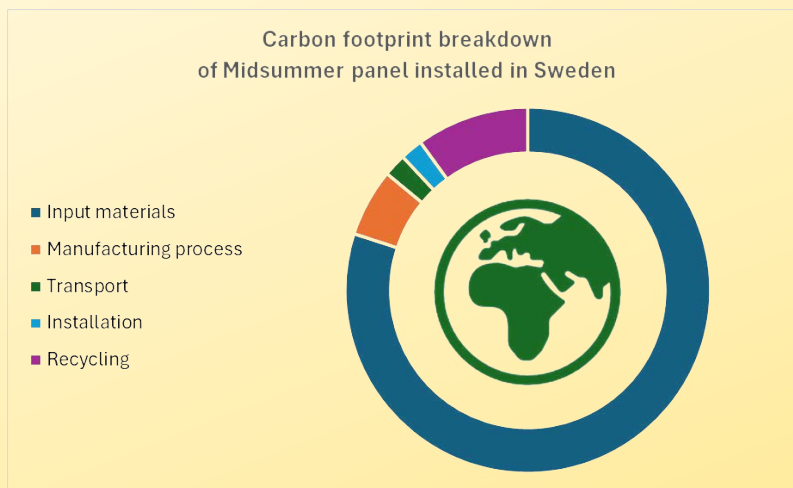
In 2023, we noticed an increased awareness of sustainability among customers looking for solar solutions. Specifically, we are seeing major players increasingly taking into account the carbon footprint of solar panel manufacturing in their procurement processes. As a result, they are considering the full life-cycle carbon footprint of their products, rather than simply assuming that solar energy is ‘green’ by definition. We are putting out the message that our Swedish-made solar cells have a 90 per cent lower carbon footprint than traditional silicon solar panels, and it is starting to get through.

Lower carbon footprint is trending to be a bigger factor than low purchase price, which used to be the most important factor when investing in a photovoltaic system. In the construction sector, a lower carbon footprint from solar panels can also mean using other materials in the building while honouring the constraints of the project’s carbon budget.

## Six gram carbon footprint per kilowatt hour produced

The technology and know-how developed by Midsummer since 2004 puts us at the forefront of carbon footprint, energy payback time and recyclability. Our third-party audited life cycle assessment shows that our solar panels have a footprint of 6 grams of CO<sub>2</sub>e per kWh produced over a 30-year period when installed in Sweden.

This is lower than other fossil-free energy sources, such as wind and hydro power, which have emissions of 7–16 and 6–11 grams CO<sub>2</sub>e/kWh respectively<sup>[1]</sup>. Silicon solar panels range from 23 to 83 grams CO<sub>2</sub>e/kWh<sup>[1]</sup>, with the variation depending on the country of installation. Harmonised studies indicate that silicon solar panels have emissions of 45<sup>[2]</sup> to 54<sup>[3][4]</sup> grams CO<sub>2</sub>e/kWh, with more than 80% of the emissions coming from manufacturing, a larger part of which is generated by silicon production, which is a carbon thermal process.



## Resource-efficient use

Midsummer’s low CO<sub>2</sub> value is the result of a combination of several factors. However, the top three are;

1. Resource-efficient use of materials in solar cell production. The mix of elements that make up the solar cell itself, such as copper, indium, gallium and selenium, is only 1–2µm (micrometres) thin film, hence the term thin-film solar cell.

<sup>1</sup>UNECE – Integrated Life-Cycle Assessment of Electricity – 2022

<sup>2</sup>NREL – Life Cycle Greenhouse Gas Emissions from Solar Photovoltaics – 2012

<sup>3</sup>IEA PVPS – T12-17:2020 – 2020

<sup>4</sup>IPCC – SRREN – 2015

2. The thin layer, combined with the flexible steel substrate, provides a robust solar cell that does not crack when bent. This feature allows the cells to be encapsulated in various high-tech polymer films as opposed to aluminium-framed glass, which is the traditional way of encapsulating silicon solar cells. Not only does glass add weight, but it also produces higher CO2 emissions from burning natural gas to melt sand into glass.

3. The solar cell manufacturing process uses a coating process called sputtering. Sputtering is a plasma-based method that enables energy-efficient coating of e.g. high-melting-point materials and complex material mixtures. Midsummer uses this process in its unique all-in-one equipment, DUO, which coats all materials to build the solar cell.

### **A longstanding focus on sustainability**

As mentioned in previous annual reports, the sustainability focus has long been embedded in our operations. Our people are key cogs in a shared journey, contributing as they do every day to making our products and operations more sustainable and resource-efficient. As Midsummer grows, we need to keep improving, stay ahead of the game and provide an even more sustainable product in the future.

Our life cycle analysis indicates that input materials have the biggest impact on our emissions. Today, we are actively working on cost efficiencies. Specifically, this involves increasing yields in various process steps, increasing solar cell efficiency and reducing the use of strategic metals, which in turn provides good synergies with a reduced carbon footprint.

Further objectives include making greater use of recycled input materials. In 2024 we have started mapping our suppliers and their opportunities to use recycled materials in their manufacturing processes. There is also long-term potential for using fossil-free steel from one of our Swedish steel companies.

### **98 per cent recyclability**

Today, more than 98 per cent of Midsummer’s solar cells can be recycled in commercially established recycling processes for steel products. However, from the points of view of long-term strategy and sustainability, we realise that recovering the strategic metals we use in the thin film will be critical. Over the past year, Midsummer has continued to participate in and support research projects designed to recover strategic metals from our solar cells. On the other hand, we saw great promise from our collaboration with Chalmers University of Technology, whose researchers have developed a method for extracting 100 and 85 per cent of silver and indium respectively from our solar cells<sup>[5]</sup>. In addition, we received support for our collaborative project with the Swedish research institute Swerim, which investigates the possibilities of recycling strategic metals within the steel recycling cycle.

Already, the carbon footprint of our solar panels is among the lowest on the market. Thanks to our solid internal sustainability efforts and our research and development partnerships, we will be able to offer our customers an even more sustainable solar panel in the future than we do today.



**Richard Jordberg**  
Midsummer’s Head of Sustainability

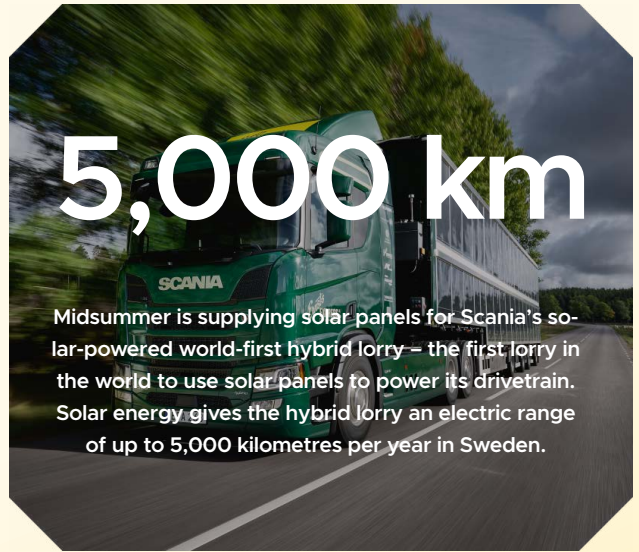
[5] Gentle method recycles solar cells in a more environment-friendly way (chalmers.se)

# The year in brief



## 24.9%

Working with the University of California, Midsummer has succeeded in developing a perovskite-CIGS tandem solar cell with 24.9 per cent efficiency.



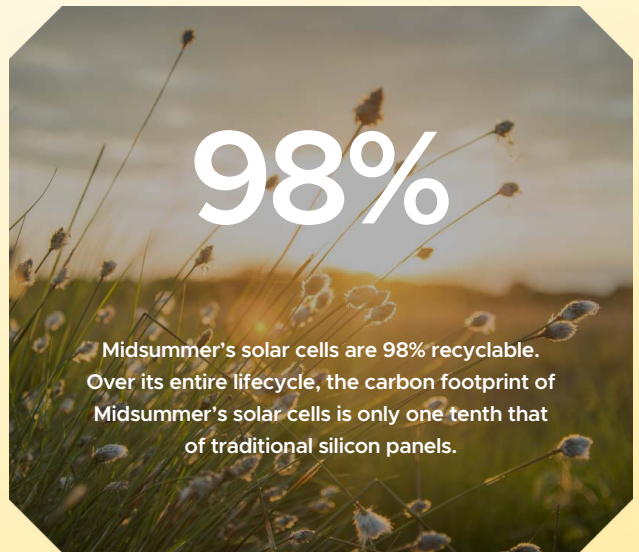
## 5,000 km

Midsummer is supplying solar panels for Scania's solar-powered world-first hybrid lorry – the first lorry in the world to use solar panels to power its drivetrain. Solar energy gives the hybrid lorry an electric range of up to 5,000 kilometres per year in Sweden.



## EUR 32m

The EU Innovation Fund has selected Midsummer as the recipient of a EUR 32 million grant for the construction of a 200 MW solar cell manufacturing megafactory in Sweden.



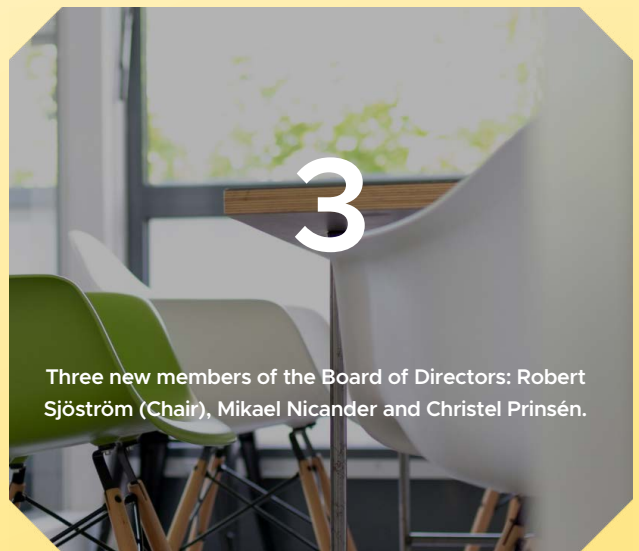
## 98%

Midsummer's solar cells are 98% recyclable. Over its entire lifecycle, the carbon footprint of Midsummer's solar cells is only one tenth that of traditional silicon panels.



## 25

Midsummer is installing WAVE model solar roofs on more than 25 holiday homes in a golf village in Ekerum on the island of Öland.



## 3

Three new members of the Board of Directors: Robert Sjöström (Chair), Mikael Nicander and Christel Prinsén.

# Midsummer solar cells open new application areas



Midsummer has a unique proprietary thin-film technology. We own the entire production chain, from machine equipment to finished ready-to-install solar panels. This has given us several powerful competitive advantages (please see box), which have become stronger over time. For example, we are seeing increasing efforts from primarily commercial actors to make their operations climate-neutral or climate-positive. This means, among other things, installing solar panels with as low a climate footprint as possible.

Our solar cells have a 90 per cent lower carbon footprint than traditional silicon panels and are 98 per cent recyclable.

We are also taking note of political and regulatory developments in our favour, such as the labelling of solar panels and other equipment proposed by the EU, which would show the equipment's total climate impact over a life cycle. Our products are extremely well-placed in this respect.

▶ **Sustainability**

Thanks to its unique manufacturing technology and process, Midsummer's products have up to 90 per cent lower lifecycle carbon footprint than traditional panels, and lower than even wind and hydropower.

▶ **Weight**

Midsummer panels are 85–95 per cent lighter than silicon panels including scaffolding and ballast, making installation easier. They are the only option for certain types of (mostly commercial) weak roofs.

▶ **Installation**

Installing Midsummer's panels is simpler than traditional panels. It is a process that is easy for installers to learn. There is no need to penetrate the roof waterproofing, which eliminates the risk of leakage. Our products are not fragile.

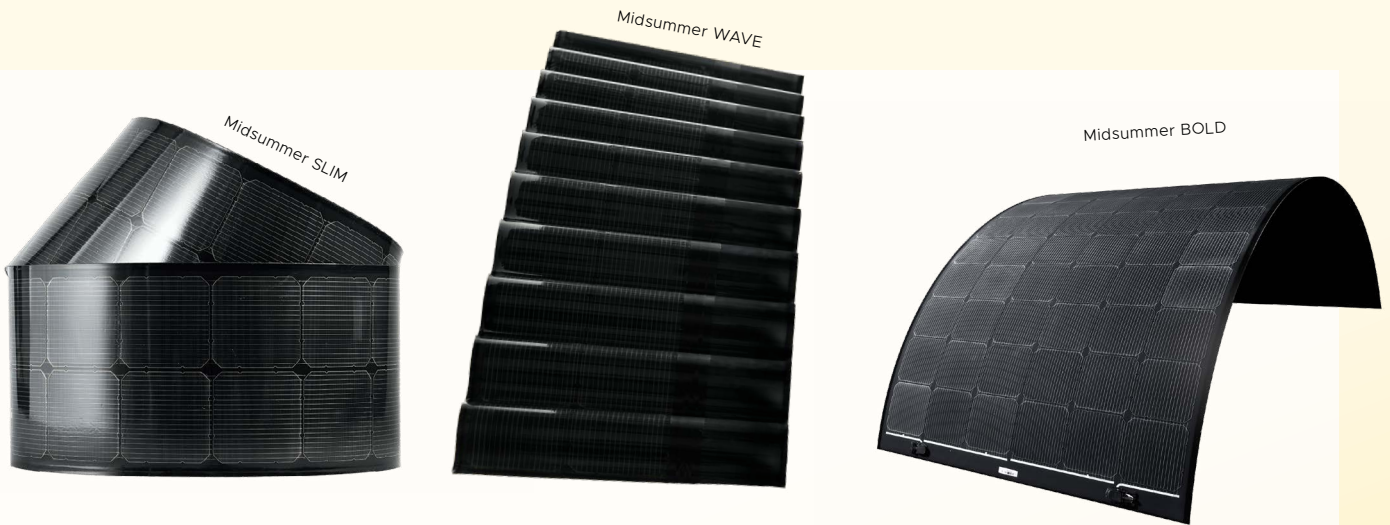
▶ **Installed power per roof**

Midsummer's panels can cover up to 90 per cent of the roof, compared to 50–70 per cent for silicon panels.

▶ **Appearance**

Midsummer's solar panels are thin and lightweight, meaning they blend in with or replace existing roofs in a way that pleases the eye.

## Midsummer's three product areas are:



► **Midsummer SLIM**, a combination of thin solar panels and a folded sheet metal roof, with the end product being an unobtrusive solar roof. The plate of Midsummer SLIM has the same fold width as the solar panel to maximise the installed power without compromising the unobtrusive design.

► **Midsummer WAVE**, a unique, wave-shaped solar panel designed for double-curved roof tiles, with the end product being an unobtrusive photovoltaic roof. The solar panel is only 2 mm thin, consists of 20 thin-film solar cells, covers five roof tiles in width and fits Sweden's most popular roof tiles. They can be retrofitted on existing roof tiles or, in case of a complete roof replacement, without drilling holes in the roof waterproofing or damaging the roof tiles.

► **Midsummer BOLD**, an ultra-light and flexible solar panel designed, among other things, for bitumen or membrane substrates, with the end product being an unobtrusive solar roof. Midsummer BOLD fits flat and pitched roofs and follows the shape of the roof whether it is flat or arched. The solar panel is only 2 mm thin and weighs only 3 kg/m<sup>2</sup>. With its low weight, Midsummer BOLD is a new option for roofs with weight restrictions. Midsummer BOLD is suitable for installation on commercial properties, industrial buildings, warehouses and sports arenas. However, it is also suitable for multi-apartment buildings and private homes.

Midsummer will focus its marketing and sales efforts on the BOLD product in the coming years. It is specifically designed to be installed on weak roofs that cannot support the weight of silicon panels. There are many such roofs. We believe that there is a market potential in Europe of 25 GW (20-30 billion euros) per year for these roofs where no other viable solution currently exists. In this way, Midsummer is opening doors to a whole new range of applications.

# Directors' Report

## Midsummer AB (publ.) 2023

The Board of Directors and the CEO of Midsummer AB (publ.), 556665-7838 hereby submit the annual report and consolidated financial statements for the 2023 financial year.

(As all amounts are rounded, rounding differences may occur.)

## ► OPERATIONS

Midsummer AB ("Midsummer", "the company" or "the Group") owns a world-leading technology for the manufacture of solar roofs and solar panels, as well as of production equipment for solar cells. In 2023, solar roofs were mainly 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. 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.

## ► TURNOVER AND PROFITS

### Net sales

Consolidated net sales in 2023 totalled SEK 49 630 thousand (SEK 53 376 thousand).

In 2023, net sales for the Solar Roof product line were SEK 43,230 thousand (SEK 45,978 thousand), of which solar panels totalled SEK 29,599 thousand (SEK 26,046 thousand) and installation work SEK 13,579 thousand (SEK 19,833 thousand). For the Production Equipment product line, net sales were SEK 6,400 thousand (SEK 7,398 thousand)

Throughout 2023, sales of solar panels increased by 14 per cent while sales of solar panel installations decreased by 32 per cent. The decrease in installation revenue may be explained by the fact that in 2023 the company gradually reduced the number of its own installations and outsourced them to partners.

During the autumn, our sales organisation switched from private sales to owners of single-family homes in Sweden to training our customers from among roofing material companies and solar cell installers. We expect to see the results of this work on net sales in 2024 as we scale up production in Italy and the peak season for solar cells starts in late spring and summer.

The parent company's net sales in 2023 were SEK 129,467 thousand (SEK 401,779 thousand). The decline in the parent company's net sales may be explained by the fact that most of its machinery sales to the subsidiary were recognised as revenue in 2022. These revenues were excluded from the Group figures, but are included in the parent company's net turnover.

### Other operating income

Other Group operating income for the year ended 31 December 2023 was SEK 17,715 thousand (SEK 102,265 thousand). The decrease compared to the previous year is attributable to EU grants having been recognised as revenue, which amounted to EUR 87,501 thousand in the previous year compared to EUR 6,352 thousand in 2023.

Throughout 2023, we accrued SEK 42,477 thousand (SEK 130,134 thousand) of the Invitalia grant, of which SEK 6,352 thousand (SEK 87,501 thousand) had a positive effect on our earnings. This grant from Invitalia, a state institution for investment and economic development owned by the Italian Ministry of Economy, was recognised in the income statement in relation to the supply of equipment. SEK 13,262 thousand (SEK 35,590 thousand) were offset against tangible fixed assets, which will reduce future depreciation costs.

In the second quarter of 2023, Invitalia paid out SEK 74,281 thousand, which was recognised as revenue in the previous year, in a first instalment of the grant, thereby reducing accrued income by the same amount. The next payment from Invitalia is expected to be made in the spring after Invitalia approves the next milestone in the project, once all manufacturing equipment is shipped to the new factory in Bari.

### **Profit**

Consolidated operating profit for the year ended 31 December 2023 was SEK -200,783 thousand (SEK -93,077 thousand), and profit before tax was SEK -225,265 thousand (SEK -88,967 thousand). The significant difference between the years is largely due to the Invitalia grant, but also to positive exchange rate effects in 2022.

The parent company's operating loss in 2023 was SEK -135,856 thousand (SEK 66,198 thousand). The significant difference between the years reflects the recognition of revenue from the transfer of manufacturing equipment to the Italian subsidiary, which occurred mainly in 2022.

### **► CASH FLOW AND FINANCING**

Cash flow in 2023 totalled SEK 17,812 thousand (SEK -157,696 thousand). The improved cash flow in 2023 may be explained by the payment from Invitalia and the new shares issued in the spring. Cash and cash equivalents totalled SEK 20,523 thousand at the end of the year (SEK 2,389 thousand at the end of 2022).

Cash and cash equivalents at the end of 2023 totalled SEK 20,523 thousand (SEK 2,389 thousand).

Total consolidated investments in property, plant and equipment in 2023 were SEK 43,671 thousand (SEK 41,547 thousand). The bulk of these total investments is in the new factory in Italy. The parent company's total investments in property, plant and equipment in 2023 were SEK 677 thousand (SEK 481 thousand).

## ► THE COMPANY'S SHARES

The company's shares were quoted 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.

As at 31 December 2023, Midsummer's share capital amounted to SEK 5,177 thousand, distributed among 129,427,464 shares with a nominal value of SEK 0.04.

The share price at the end of 2023 was SEK 1.15, which meant Midsummer's market capitalisation was SEK 148,842 thousand.

## ► OWNERSHIP STRUCTURE AS AT 31 DECEMBER 2023

H. Waldaeus AB	13,660,955	10.55%
Nordea Fonder	8,890,968	6.87%
Jan Lombach, privately and through companies	8,525,939	6.59%
Brown Brothers Harriman & Co	8,444,634	6.52%
Philip Gao	6,305,400	4.87%
Jörgen Persson, privately and through companies	5,350,000	4.13%
Avanza Pension	5,067,507	3.92%
Infologix (BVI) Ltd.	3,384,893	2.62%
Liang Gao	2,648,304	2.05%
Clearstream Banking	2,461,921	1.90%
SEB Life International	2,271,963	1.76%
Nordnet Pension	1,482,914	1.15%
Murel Energy Generation	1,658,536	1.28%
Other shareholders (12,688 owners)	59,273,530	45.80%
<b>Total number of shares</b>	<b>129,427,464</b>	<b>100%</b>

## ► RESEARCH AND DEVELOPMENT ACTIVITIES

New products adapted for installation on existing sheet metal roofs, as well as BOLD, a wider and more cost-effective model, have been developed and are currently under certification. They open up new market segments as many older buildings could have visually integrated panels without damaging their roofs. The new BOLD model is a significant step towards reducing the production costs of solar installations on large flat roofs.

Midsummer's successful collaboration with SCANIA and Uppsala University, which has demonstrated the significant potential of solar cells to help reduce carbon dioxide emissions from transport, has received an extension from Vinnova. Our vehicle-integrated solar panels will undergo extended field testing and the development of tandem solar cells with increased efficiency is continuing.

Two EU Horizon-funded research projects have been awarded. One, Hi-BITS, aims to reach 25% efficiency through new structures that include bifaciality or flexibility, photon recycling and ultra-thin tandem cells. Our products are targeted at agrivoltaics and building and vehicle integration. Leading actors in CIGS development such as INL, Empa, ZSW, Uppsala University, Avancis and others are participating in the project.

The PERSEUS project focuses on using CIGS/Perovskite tandem cells to create highly efficient, light-weight and cost-effective solar cells on a large scale. Our partners include VTT Technical Research Centre of Finland, TNO, Iconiq Innovation, HZB, Fusion Bioniq and others.

Furthermore, a collaboration with Uppsala University has been launched under the WISE initiative, funded by the Knut and Alice Wallenberg Foundation. This initiative aims to boost the efficiency of Midsummer's existing cells by identifying loss mechanisms via advanced analytical methods.

Midsummer has started a recycling project with SWERIM, focusing on a metallurgical process adapted for Midsummer's stainless steel cells.

In all projects, Midsummer's unique and versatile UNO and DUO machines provide key platforms for development.

#### ► SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- In January, the company carried out a directed share issue of approximately SEK 20 million.
- In March, the company announced a collaborative research project with the University of California, Los Angeles (UCLA), which resulted in the development of a perovskite-CIGS tandem solar cell with 24.9 per cent efficiency.
- In April, Midsummer Italia received an initial grant payment of approximately SEK 75 million from the Italian investment authority Invitalia for the establishment of the plant in Bari, Italy.
- In April, Midsummer, alongside the University of New South Wales (UNSW) and the world's three largest solar panel manufacturers, was awarded funding for a research project to develop a silicon-CIGS tandem solar cell. Research will be carried out on Midsummer's UNO research machine at UNSW in Sydney. The aim is to develop a highly efficient and stable tandem solar cell with over 30 per cent efficiency. In April, Midsummer received an initial grant payment of approximately SEK 75 million from the Italian investment authority Invitalia for the establishment of the factory in Bari, Italy.
- In May, the company carried out a rights issue of approximately SEK 180 million before issue costs in order to finance the completion of DUO machines, other manufacturing equipment and the customisation of the factory site in Bari, Italy.
- In connection with the rights issue, the terms of the green bond loan of SEK 200 million were changed, meaning that the maturity was extended by three years.
- In May, Midsummer received an order for solar roofs for more than 25 holiday homes in a golf village in Ekerum on the island of Öland. The association decided to allow only Midsummer's Wave solar panels for aesthetic reasons.
- At the company's AGM in June, three new directors were elected with experience in global consumer products, the property market and procurement/negotiation management: Robert Sjöström (new Chairman of the Board), Mikael Nicander and Christel Prinsén.
- In June, the company also received an order for a 500 square metre solar roof from Pioneer Knitwears, one of Bangladesh's leading textile companies. The roof covers a small part of Pioneer's textile factory and is financed by its customer, one of the world's largest clothing retailers. The solar cell installation was completed in January 2024.
- In June, Midsummer also installed a photovoltaic roof at Saxi, a wall manufacturer in western Sweden. The roof is approximately 1450 square metres in size and covers Saxi's factory and head office in Stenkullen.
- During the summer, Midsummer started installing solar roofs in The Hamptons, USA, one of the world's most exclusive residential areas.
- In July, Midsummer was selected by the EU Innovation Fund as the recipient of a grant of over EUR 32 million for a new 200 MW megafactory in Sweden for the production of thin-film solar cells. At the end of the year, negotiations on the terms of the grant were finalised and the agreement with the Innovation Fund signed.

- August saw the launch of Scania's world-first solar-powered hybrid lorry, for which Midsummer supplies solar panels. It is the first lorry in the world to use solar panels to power its powertrain. The solar energy produced by the lorry itself is expected to significantly reduce operating costs and emissions.
- In the autumn, Midsummer began extensive long-term cooperation with Finland's leading supplier of roofing materials, Katepal. Katepal began offering Midsummer's thin, lightweight solar panels to its customers in Finland.
- Midsummer launched an efficiency programme, including a Group restructuring and some redundancies, as well as a strategic review of the Group's short- and long-term financing. The programme is estimated to provide savings of more than SEK 40 million on an annual basis and also short-term improvements in the capital employed.
- The company carried out a fully guaranteed rights issue of SEK 66 million.

#### ► FUTURE DEVELOPMENT

Midsummer is continuing to develop the market with a new generation of solar cells and panels for a more sustainable energy mix. With local manufacturing in Sweden, minimal carbon emissions and a focus on design, Midsummer offers the customer something completely unique compared to traditional silicon panels.

The company will focus its marketing and sales efforts on the BOLD product in the coming years.

It is specifically designed to be installed on weak roofs that cannot support the weight of silicon panels. There are many such roofs. We believe that there is a market potential in Europe of 25 GW (20-30 billion euros) per year for these roofs where no other viable solution currently exists. In this way, Midsummer is opening doors to a whole new range of applications.

#### ► INFORMATION ON RISKS AND UNCERTAINTIES

Midsummer's operations consist of the manufacture and sale of solar panels and integrated solar roofs, and the development and manufacture of equipment for the production of flexible thin-film solar cells. As such, Midsummer's business is subject to business and operational, legal and regulatory, as well as financial risks.

#### **Commercial and operational risks**

##### 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.

##### TECHNOLOGY SHIFTS AND PRODUCT DEVELOPMENT

Technology is continually developing in the areas where the company carries out its operations. Solar cells and technologies of the type developed and manufactured by the company may be subject to rapid technological development or be replaced entirely by more efficient technologies. The success of the company's favourable market positioning in this respect will have a significant impact on its results and financial position.

##### COMPETITION

In the solar cell and solar cell manufacturing equipment markets, there are several players with similar or different technologies. The market may favour competitors' products, or current competitors or other companies may develop new methods or concepts that are more widely accepted than the solutions offered by the company. Such development normally takes place in a highly confidential environment, making it difficult for the company to predict or describe potentially competing technologies and products other than at a general level based on publicly available information regarding technological developments in the field. This kind of development would impact the Company's profit.

Price competition may come from financial heavyweights seeking to rapidly increase market share or establish themselves with similar products by reducing prices. This is particularly true in the photovoltaic industry, where other technologies may prove to be more financially favourable than the one promoted by the company. Such a development would affect the company's results.

#### DEPENDENCE ON SUPPLIERS AND PARTNERSHIPS

Midsummer works with a number of suppliers and partners that are important for the company's manufacture of products and manufacturing equipment. Where suppliers fail to fulfil their commitments or become unable to supply because of political decisions or similar events, this could have a detrimental impact on the company's ability to maintain the reliability of supply and the profitability of the products it sells. Such a development would affect the company's results.

#### DEPENDENCE ON INPUTS AND RAW MATERIALS

Midsummer depends on a number of inputs, technical components and raw materials that are essential for manufacturing. None of the constituent materials are particularly rare or impossible to obtain from various suppliers or geographical regions. However, situations may arise where the supply of various materials is affected by political decisions, trade restrictions, increased tariffs or taxes, natural disasters or other extraordinary situations. As a result, the company's output volumes and delivery times may be affected or supplies and manufacturing may cease altogether. Such a development would affect the company's results.

### **Legal and regulatory risks**

#### RISKS RELATED TO INTELLECTUAL PROPERTY PROTECTION

There is a risk that the company's current arrangements for intellectual property protection and assessment of the potential and needs for additional intellectual property protection may not be sufficient. Other companies might also have intellectual property rights which they could argue are being infringed by the company's activities. Defending the company's rights or compensating third parties for infringement and/or use of third-party intellectual property rights may result in loss of revenue or increased costs until the infringement is resolved, licence fees being paid or permission to use third-party intellectual property rights being obtained. Uncertainty arising from the commencement and completion of patent or other litigation could have a material impact on the company's results of operations and financial position.

#### DISPUTES

The company may become involved in litigation in the ordinary course of business and may be subject to claims relating to e.g. contractual matters, product liability and alleged defects in the supply of the company's products. Such disputes and claims may prove time-consuming, disrupt the normal course of business, involve significant amounts of money and incur significant costs. Moreover, the outcome of complex disputes may be difficult to predict. As a result, major disputes may have a significant impact on the company's results and financial position.

### **► FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Midsummer is exposed to financial risks through its operations. Its financial risks are as disclosed in note 22.

### **► SUSTAINABILITY INFORMATION**

In 2023, Midsummer worked to formalise its sustainability work. As a step in this direction, the company started to map its suppliers and request information about their sustainability efforts and aspirations. In addition, the company started requesting more information on the value chain and promoting more the use of recycled materials, as a way to offer an even more sustainable and traceable product in the future. This was done as part of the company's efforts to reduce greenhouse gases by enabling the world's most sustainable electricity generation with its products. This work involves a process of continuous improvement that is documented and reviewed annually.

Midsummer works both proactively and actively for a workplace that is free of discrimination and that promotes employee health, job satisfaction and efficiency.

### **► CORPORATE GOVERNANCE REPORT**

Midsummer recognises that sound corporate governance is an important basis for achieving a relationship of trust with shareholders and other key 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 quoted 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.

Visit the Company's website [midsummer.se/ir/bolagsordning](https://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 Treasury Department, which is part of the parent company and run by the parent company's CFO. The overall goal of the Treasury Department is to provide cost-effective financing and minimise the negative effects of market risks on the Group's earnings. The head of the Central Treasury Department reports continually to the Group's management team and Board of Directors.

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](https://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 Extraordinary General Meeting held on 14 April 2023 approved the Board's proposal to introduce a long-term incentive programme for 2023 (LTI 2023). Please see note 10.

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 could affect the possibilities of the company being taken over through a public takeover bid for its shares.

► **PROPOSAL FOR THE 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	755 517 382
Retained earnings	-262 860 304
Profit/Loss for the year	-151 556 424
<b>Total</b>	<b>341 100 653</b>

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

Carried forward to new account	-414 416 728
of which to share premium reserve	755 517 382

As regards the results and position in general, please see the following income statement and balance sheet with accompanying notes.

## Consolidated profit or loss and other comprehensive income

TSEK	Note	Jan.–Dec. 2023	Jan.–Dec. 2022
Net sales	2,3	49 630	53 376
Other operating income	4	17 715	102 265
		<b>67 345</b>	<b>155 642</b>
Own work capitalised		18 650	20 134
Raw materials and consumables		-34 510	-91 617
Other external expenses	7	-77 318	-52 051
Staff expenses	6	-90 681	-86 016
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	11,12	-69 796	-34 349
Other operating expenses	5	-14 473	-4 820
<b>Operating profit</b>		<b>-200 783</b>	<b>-93 077</b>
Financial income	8	55 225	23 791
Financial expenses	8	-79 708	-19 681
<b>Net financial items</b>	<b>8</b>	<b>-24 482</b>	<b>4 110</b>
<b>Profit before tax</b>		<b>-225 265</b>	<b>-88 967</b>
Tax	9	3 051	1 132
<b>Profit for the period</b>		<b>-222 214</b>	<b>-87 836</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period		-314	18 364
<b>Comprehensive income for the period</b>		<b>-222 528</b>	<b>-69 471</b>
<b>Profit/loss for the period attributable to:</b>			
– Parent company's owners		-222 214	-87 836
<b>Comprehensive income for the period attributable to:</b>			
– Parent company's owners		-222 528	-69 471
<b>Consolidated earnings per share</b>			
– before dilution (SEK)	10	-2,15	-1,30
– after dilution (SEK)	10	-2,15	-1,30
<b>Number of shares outstanding at the end of the reporting period</b>			
– before dilution	10,16	129 427 464	67 741 409
– after dilution	10,16	133 394 020	67 741 409
<b>Average number of shares outstanding</b>			
– before dilution	10,16	103 463 118	67 741 409
– after dilution	10,16	112 248 569	67 741 409

## Consolidated financial position

TSEK	Note	2023-12-31	2022-12-31
<b>Assets</b>			
Intangible assets	11	53 410	54 332
Property, plant and equipment	12	175 781	145 387
Right-of-use assets	23	18 569	20 679
Accrued tax assets	9	3 051	1 134
Non-current receivables	13	170	220
<b>Total fixed assets</b>		<b>250 981</b>	<b>221 752</b>
Inventories	14	31 173	20 471
Contract assets	2	36 508	73 921
Tax assets	9	3 009	1 699
Trade receivables	21	10 763	16 041
Prepayments and accrued income	15	98 937	131 509
Other receivables	13	65 665	1 642
Cash and cash equivalents		20 523	2 389
<b>Total current assets</b>		<b>266 578</b>	<b>247 672</b>
<b>Total assets</b>		<b>517 560</b>	<b>469 424</b>
<b>Equity</b>			
	16		
Share capital		5 177	2 710
Unregistered share capital		3 106	-
Other paid-in capital		755 517	530 037
Reserves in equity	30	18 275	18 588
Retained earnings incl. profit for the period		-587 421	-367 853
<b>Equity attributable to parent's owners</b>		<b>194 654</b>	<b>183 482</b>
<b>Total equity</b>		<b>194 654</b>	<b>183 482</b>
<b>Liabilities</b>			
Non-current interest-bearing liabilities	17	210 000	10 000
Lease liability	23	9 849	14 692
Other provisions	19	3 097	2 315
<b>Total non-current liabilities</b>		<b>222 946</b>	<b>27 007</b>
Current interest-bearing liabilities	17	8 950	215 215
Lease liability	23	7 707	5 006
Trade payables		15 528	20 806
Contract liabilities	2	-	-
Tax liabilities		31	244
Other current liabilities		27 514	7 139
Accruals and deferred income	20	40 230	10 525
<b>Total current liabilities</b>		<b>99 959</b>	<b>258 935</b>
<b>Total liabilities</b>		<b>322 905</b>	<b>285 942</b>
<b>Total equity and liabilities</b>		<b>517 559</b>	<b>469 424</b>

## Consolidated changes in equity – Group

### Equity attributable to owners of parent

TSEK		Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit for the period	Total	Total equity
<b>Opening equity</b>	<b>2023-01-01</b>	<b>2 710</b>	<b>530 037</b>	<b>18 588</b>	<b>-367 853</b>	<b>183 482</b>	<b>183 482</b>
<b>Comprehensive income for the period</b>							
Profit for the period		–	–	–	-222 214	-222 214	-222 214
Other comprehensive income for the p		–	–	-314	–	-314	-314
<b>Comprehensive income for the perio</b>		<b>–</b>	<b>–</b>	<b>-314</b>	<b>-222 214</b>	<b>-222 528</b>	<b>-222 528</b>
New issue		2 467	165 577	–	–	168 044	168 044
Unregistered new issue		3 211	59 672	–	2 646	65 424	65 424
Warrants		–	232	–	–	232	232
<b>Closing equity</b>	<b>2023-12-31</b>	<b>8 389</b>	<b>755 517</b>	<b>18 275</b>	<b>-587 421</b>	<b>194 654</b>	<b>194 654</b>

TSEK		Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit for the period	Total	Total equity
<b>Opening equity</b>	<b>2022-01-01</b>	<b>2 710</b>	<b>530 037</b>	<b>224</b>	<b>-280 015</b>	<b>252 956</b>	<b>252 956</b>
<b>Comprehensive income for the period</b>							
Profit for the period		–	–	–	-87 836	-87 836	-87 836
Other comprehensive income for the p		–	–	18 364	–	18 364	18 364
<b>Comprehensive income for the perio</b>		<b>–</b>	<b>–</b>	<b>18 364</b>	<b>-87 836</b>	<b>-69 471</b>	<b>-69 471</b>
New issue		–	–	–	–	–	–
<b>Closing equity</b>	<b>2022-12-31</b>	<b>2 710</b>	<b>530 037</b>	<b>18 588</b>	<b>-367 851</b>	<b>183 482</b>	<b>183 482</b>

## Consolidated cash flow

TSEK	Note	Jan.–Dec. 2023	Jan.–Dec. 2022
<b>Operating activities</b>			
Profit for the period	26	-222 214	-87 836
Adjustment for non-cash items		48 972	-37 482
Income tax paid		–	–
Increase (–)/Decrease (+) in inventories		-10 701	9 913
Increase (–)/Decrease (+) in operating receivables		77 084	-2 583
Increase (+)/Decrease (–) in operating liabilities		40 124	35 648
<b>Cash flow from operating activities</b>		<b>-66 735</b>	<b>-82 340</b>
<b>Investing activities</b>			
Acquisitions of tangible fixed assets		-43 671	-49 607
Acquisition of intangible assets		-20 233	-20 195
<b>Cash flow from investing activities</b>		<b>-63 905</b>	<b>-69 802</b>
<b>Financing activities</b>			
Share issue		168 044	–
Loans raised		20 009	20 000
Repayment of loans		-28 148	–
Repayment of leasing liabilities		-7 174	-6 528
Increase (–) / Decrease (+) in long-term receivables		1 274	654
<b>Cash flow from financing activities</b>		<b>148 451</b>	<b>-5 555</b>
<b>Cash flow for the period</b>		<b>17 812</b>	<b>-157 696</b>
Cash and cash equivalents at start of period		2 389	159 161
Exchange difference in cash and cash equivalents		323	924
<b>Cash and cash equivalents at end of period</b>		<b>20 523</b>	<b>2 389</b>

## Income statement for the parent company

TSEK	Note	Jan.–Dec. 2023	Jan.–Dec. 2022
Net sales	2,3	129 467	401 779
Change in goods in progress, finished goods and work in progress		31 315	-84 282
Own work capitalised	11	18 650	20 134
Other operating income	4	-4 565	5 536
		<b>174 867</b>	<b>343 167</b>
Raw materials and consumables		-115 347	-89 772
Other external expenses	7	-77 860	-57 149
Staff expenses	6	-82 352	-82 536
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	11,12	-28 428	-27 691
Other operating expenses	5	-6 736	-19 821
<b>Operating profit</b>	<b>5, 6, 23</b>	<b>-135 856</b>	<b>66 198</b>
<b>Profit from financial items</b>			
Other interest income and similar profit/loss items	8	63 067	31 304
Interest expense and similar profit/loss items	8	-78 768	-20 007
<b>Profit after financial items</b>		<b>-151 556</b>	<b>77 497</b>
<b>Profit before tax</b>			
		<b>-151 556</b>	<b>77 497</b>
Tax	9	-	-
<b>Profit for the period</b>		<b>-151 556</b>	<b>77 497</b>

## Statement of income and other comprehensive income for the parent company

TSEK	Note	Jan.–Dec. 2023	Jan.–Dec. 2022
Profit for the period		-151 556	77 497
Other comprehensive income		-	-
<b>Comprehensive income for the period</b>		<b>-151 556</b>	<b>77 497</b>

## Balance sheet for the parent company

TSEK	Note	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	11	53 023	54 165
Property, plant and equipment	12	18 255	24 703
Financial fixed assets			
– Interests in subsidiaries	25	271 465	256 387
– Receivables at Group companies		190 180	191 226
– Other non-current receivables	13,22	170	220
<b>Total financial non-current assets</b>		<b>461 815</b>	<b>447 833</b>
<b>Total fixed assets</b>		<b>533 093</b>	<b>526 701</b>
<b>Current assets</b>			
Inventories, etc.	14	84 351	53 015
<b>Current receivables</b>			
– Accounts receivable	21	10 763	16 041
– Receivables at Group companies		161 686	242 166
– Contract assets	3	26 384	30 343
– Other receivables		64 823	990
– Prepayments and accrued income	15	1 289	2 590
<b>Total current receivables</b>		<b>264 946</b>	<b>292 131</b>
Cash and bank balances		13 840	2 212
<b>Total current assets</b>		<b>363 137</b>	<b>347 357</b>
<b>Total assets</b>		<b>896 230</b>	<b>874 058</b>

TSEK	2023	2022
<b>Equity and liabilities</b>		
<b>Equity</b>		
Restricted equity		
– Share capital	5 177	2 710
– Unregistered share capital	3 106	–
– Fund for development expenses	52 556	53 627
<b>Non-restricted equity</b>		
– Share premium reserve	755 517	530 037
– Retained earnings	-262 860	-344 075
– Profit for the period	-151 556	77 497
<b>Total equity</b>	<b>401 939</b>	<b>319 795</b>
<b>Provisions</b>		
– Other provisions	19	3 097
<b>Total provisions</b>	<b>3 097</b>	<b>2 315</b>
<b>Non-current liabilities</b>		
– Debenture loans	200 000	–
– Liabilities to credit institutions	18,22	10 000
<b>Total non-current liabilities</b>	<b>210 000</b>	<b>10 000</b>
<b>Current liabilities</b>		
– Liabilities to credit institutions	8 942	215 192
– Advances from customers	8 253	0
– Trade payables	14 730	20 753
– Liabilities to Group companies	184 135	288 510
– Other liabilities	26 106	7 002
– Accruals and deferred income	20	39 029
<b>Total current liabilities</b>	<b>281 194</b>	<b>541 948</b>
<b>Total equity and liabilities</b>	<b>896 230</b>	<b>874 058</b>

## Changes in parent company's equity

TSEK		Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit for the period	Total	Total equity
<b>Opening equity</b>	<b>2023-01-01</b>	<b>2 710</b>	<b>530 037</b>	<b>18 588</b>	<b>-367 853</b>	<b>183 482</b>	<b>183 482</b>
<b>Comprehensive income for the period</b>							
Profit for the period		-	-	-	-222 214	-222 214	-222 214
Other comprehensive income for the p		-	-	-314	-	-314	-314
<b>Comprehensive income for the perio</b>		<b>-</b>	<b>-</b>	<b>-314</b>	<b>-222 214</b>	<b>-222 528</b>	<b>-222 528</b>
New issue		2 467	165 577	-	-	168 044	168 044
Unregistered new issue		3 211	59 672	-	2 646	65 424	65 424
Warrants		-	232	-	-	232	232
<b>Closing equity</b>	<b>2023-12-31</b>	<b>8 389</b>	<b>755 517</b>	<b>18 275</b>	<b>-587 421</b>	<b>194 654</b>	<b>194 654</b>

TSEK		Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit for the period	Total	Total equity
<b>Opening equity</b>	<b>2022-01-01</b>	<b>2 710</b>	<b>530 037</b>	<b>224</b>	<b>-280 015</b>	<b>252 956</b>	<b>252 956</b>
<b>Comprehensive income for the period</b>							
Profit for the period		-	-	-	-87 836	-87 836	-87 836
Other comprehensive income for the p		-	-	18 364	-	18 364	18 364
<b>Comprehensive income for the perio</b>		<b>-</b>	<b>-</b>	<b>18 364</b>	<b>-87 836</b>	<b>-69 471</b>	<b>-69 471</b>
New issue		-	-	-	-	-	-
<b>Closing equity</b>	<b>2022-12-31</b>	<b>2 710</b>	<b>530 037</b>	<b>18 588</b>	<b>-367 851</b>	<b>183 482</b>	<b>183 482</b>

## Cash flow statement for the parent company (indirect method)

TSEK	Note 26	2023	2022
<b>Operating activities</b>			
Profit for the year		-151 556	77 494
Adjustment for non-cash items		36 001	29 411
Income tax paid		-	-
Increase (-)/Decrease (+) in inventories		-31 335	83 954
Increase (-)/Decrease (+) in operating receivables		451	-236 020
Increase (+)/Decrease (-) in operating liabilities		-54 335	320 633
<b>Cash flow from operating activities</b>		<b>-200 774</b>	<b>275 472</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		-677	-481
Acquisition of intangible assets		-20 013	-20 182
Acquisition of financial non-current assets		70 018	-414 467
<b>Cash flow from investing activities</b>		<b>49 328</b>	<b>-435 130</b>
<b>Financing activities</b>			
Share issue		168 044	-
Repayment of loans		-28 125	24 126
Borrowing		20 000	-
Interest received		8 388	654
Interest paid		-5 548	-19 408
<b>Cash flow from financing activities</b>		<b>162 759</b>	<b>5 372</b>
<b>Cash flow for the year</b>		<b>11 313</b>	<b>-154 286</b>
Cash and cash equivalents at start of period		2 211	155 573
Exchange difference in cash and cash equivalents		316	924
<b>Cash and cash equivalents at end of period</b>		<b>13 840</b>	<b>2 211</b>
<b>Total cash and cash equivalents, 31.12.2023</b>		<b>13 840</b>	<b>2 211</b>

# Notes

Midsummer AB (publ.) 2023

# Note 1 Significant accounting policies

## Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups have been used. The parent company applies the same accounting policies as the Group except in cases specified in the section 'Parent company's accounting policies'.

## Measurement bases applied in preparing the financial statements

Assets and liabilities are recognised at historical cost.

## Functional currency and reporting currency

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

## Judgments and estimates in the financial statements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes may diverge from these estimates and judgments. 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. Judgments made by management in the process of applying IFRS that have a significant effect on the financial statements and estimates made and that could result in material adjustments to the financial statements in the subsequent year are described in greater detail in note 29.

## Significant accounting policies applied

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, with the exceptions described in greater detail. 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 effective from 1 January 2023 did not have a material impact on the Group's financial statements.

## 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.**

Essentially, non-current assets consist of amounts expected to be recovered or paid after more than twelve months from the balance sheet date, while current assets essentially consist of amounts expected to be recovered or paid within 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 such a right at the end of the reporting period – or if the liability is held for trading or expected to be settled within the normal operating cycle – the liability is recognised as a current liability.

**Operating segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which independent financial information is available. The performance of an operating segment is also monitored by the chief operating decision-maker to evaluate performance and to allocate the operating segment's resources. Please see note 3 for further details on the categorisation and presentation of operating segments.

**Consolidation policies and business combinations****Subsidiaries**

Subsidiaries are companies that are under Midsummer AB's control. Control exists if Midsummer AB has influence over the investment object, is exposed to or has the right to variable returns from its involvement and can use its influence over the investment to affect the return. 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 between the various options to recognise non-controlling interests can be made on an acquisition-by-acquisition basis.

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.

Remaining holdings are measured at fair value and the change in value is recognised in profit or loss when disposals result in the loss of control.

### **Transactions that are eliminated upon consolidation**

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

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no need for impairment.

### **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 of foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the functional currency of the foreign operation to the Group's presentation currency, Swedish kronor, at the exchange rate prevailing at 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 control of a foreign operation ceases, the cumulative translation differences relating to that operation are realised and reclassified from the translation reserve in equity to profit or loss for the year.

### **Revenue**

#### **Performance obligations and revenue recognition policies**

Revenue is measured by reference to the consideration specified in the contract with the customer. The Group recognises revenue when control of goods or service is transferred to the customer. Determining the timing of the transfer of control, i.e. at a specific point in time or over time, requires assumptions.

For the Process performance commitment, control is considered to have passed to the customer at a certain point in time, which is when the customer gains access to the process and can benefit from it, e.g. can start negotiating with relevant suppliers for inputs to the machinery, etc. For the Machine Equipment for Solar Cell Manufacturing performance commitment, control is deemed to have passed to the customer at a certain point in time, which is deemed to be when the equipment is delivered and accepted by the customer, except for contracts where Midsummer AB is entitled to costs incurred plus a reasonable profit margin should the customer terminate the contract for reasons other than the company's failure to perform as 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's 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.

## Factoring

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.

In view of the short period between recognition and derecognition of the receivables sold, the difference between the fair value and the amortised cost is not considered material.

## 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 considered probable that they can be utilised.

## Financial instruments

### Accounting and initial valuation

Trade receivables and issued debt instruments are recognised when issued. Other financial assets and financial liabilities are recognised when the Group becomes a party to the instrument's contractual provisions.

A financial asset (except for trade receivables, which do not have a significant financing component) or financial liability is initially measured at fair value plus, in the case of financial instruments not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue. A trade receivable without a significant financing component is 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. Therefore, the Group continues to recognise transferred assets in their entirety on the balance sheet. The amount received under the factoring agreement is recognised as short-term secured borrowings.

The Group holds these receivables for the purpose of collecting contractual cash flows and so it measures trade receivables at subsequent reporting dates at amortised cost using the effective interest method, less provision for expected credit losses. For current trade receivables, the discounting effect is not material, which means that the amortised cost is the nominal amount.

## **Classification and subsequent valuation**

### **Financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income – debt instrument investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss. All financial assets are measured at amortised cost. This is because they are held in the context of a business model whose objective is to obtain the contractual cash flows, while the cash flows from the assets consist only of payments of principal and interest.

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

Financial liabilities are classified as either measured at amortised cost or at fair value through profit or loss. The Group's liabilities for contingent consideration arising from business combinations are recognised at fair value through profit or loss. All other financial liabilities are recognised at amortised cost.

## **Derecognition from the statement of financial position (derecognition)**

### **Financial assets**

The Group derecognises a financial asset from the statement of financial position when contractual rights to cash flows from the financial asset expire or if it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership have been transferred or in which the Group does not transfer or retain substantially all the risks and rewards 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 or substantially all the risks and rewards of the transferred assets. In these cases, transferred assets are not derecognised.

### **Financial liabilities**

The Group derecognises a financial liability from the statement of financial position when the obligations specified in the contract are discharged, cancelled or expire. The Group also derecognises a financial liability when the contractual terms are modified and the cash flows from the modified liability are significantly different. In that case, a new financial liability is recognised at fair value based on the modified terms.

When a financial liability is derecognised, the difference between the carrying amount that has been derecognised and the consideration paid (including any non-monetary assets transferred or liabilities assumed) is recognised in profit or loss.

## **Property, plant and equipment**

### **Assets owned**

The Group recognises property, plant and equipment at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenditure directly attributable to the asset to bring it to the location and condition necessary for it to be capable of operating in the manner intended. Borrowing costs directly attributable to the acquisition, construction or production of assets that require a substantial period of time to complete for their intended use or sale are included in cost. The accounting policies for impairment are described below.

The carrying amount of an item of property, plant and equipment is derecognised from the statement of financial position on disposal or retirement or when no future economic benefits are expected from the asset's use or disposal. The gain or loss arising on an asset's disposal or retirement is the difference between the sale price and the asset's carrying amount less direct selling costs. Profits and losses are recognised as other operating income/expenses.

### Subsequent expenditure

Subsequent expenditure is added to the cost only if it is probable that future financial benefits associated with the asset will flow to the entity and the cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

### Depreciation policies

Depreciation is calculated using the straight-line method over the asset's estimated useful life. Leased assets are also depreciated over their estimated useful lives or, if shorter, over the agreed lease term. The Group applies component depreciation, meaning that components' estimated useful lives provide the basis for depreciation.

### Estimated useful lives

Machinery and other technical installations	5-10 years
Equipment, tools, and installations	5 years
Expenditure on third-party property	20 years

The depreciation methods used, residual values and useful lives are reviewed at each year-end.

### Intangible assets

#### Research and development

Expenditure on research aimed at obtaining new scientific or technical knowledge is recognised as an expense as incurred.

Expenditure on development activities involving the application of research findings or other knowledge to create new or improved products or processes is recognised as an asset in the statement of financial position when the product or process is technically and commercially feasible and the entity has sufficient resources to complete the development and subsequently use or sell the intangible asset. The carrying amount includes all directly attributable expenditure; e.g. for employee benefits, registration of a legal right, amortisation of patents and licences, borrowing costs in accordance with IAS 23. Other development expenditure is recognised in the income statement as an expense as incurred. Development expenditure recognised in the statement of financial position is stated at cost less accumulated amortisation and any impairment losses.

#### Other intangible assets

Other intangible assets acquired by the Group consist of patents and are stated at cost less accumulated amortisation and any impairment losses.

### Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is recognised as an asset in the statement of financial position only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as they are incurred.

### Borrowing costs

Borrowing costs attributable to the construction of qualifying assets are capitalised as part of the qualifying asset's cost. A qualifying asset is an asset that inevitably takes a substantial period of time to complete. In the first instance, borrowing costs incurred on loans specific to the qualifying asset are capitalised. Secondly, borrowing costs incurred on general loans that are not specific to any other qualifying asset are capitalised. Capitalisation of borrowing costs is mainly relevant for the Group in respect of capitalised development expenditure.

### Depreciation policies

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, unless such useful lives are indefinite. The useful lives are reassessed at least once a year. Intangible assets with finite useful lives are amortised from the date they are available for use.

#### The estimated useful lives are

Patents	10 years
Capitalized development costs	5 years

### Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using a weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition. For manufactured goods and work in progress, the cost includes a reasonable proportion of indirect costs based on normal capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

### Impairment

The Group's recognised assets are assessed at each balance sheet date to determine whether there is any indication of impairment. IAS 36 is applied to the impairment of assets other than financial assets recognised under IFRS 9, inventories and deferred tax assets. For excluded assets as described above, the carrying amount is assessed in line with the respective 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. In calculating value in use, future cash flows are discounted using a discount rate that reflects the risk-free interest rate and the risk associated with the specific asset.

#### Reversal of impairment

An impairment loss recognised for an asset within the scope of IAS 36 is reversed if there is both an indication that the asset is no longer impaired and there has been a change in the assumptions used to determine the recoverable amount. However, impairment of goodwill is never reversed. A reversal is made only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognised, less depreciation where applicable, if no impairment loss had been recognised.

### **Impairment of financial assets**

Midsummer recognises provisions for expected credit losses on financial assets measured at amortised cost. The loss allowance for trade receivables and contract assets is measured at an amount equal to the expected credit losses for the entire duration of the receivable.

The impairment of trade receivables and contract assets is determined based on historical experience of bad debts on similar receivables, specific circumstances and expectations at the end of the reporting period. The credit losses are measured as the present value of any shortfall in the cash flows (i.e. the difference between the cash flows under the contract and the cash flows that the Group expects to receive).

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

### **Earnings per share**

Basic earnings per share are calculated based on the consolidated profit for the year attributable to the parent company's owners and on the weighted average number of shares outstanding during the year.

In calculating diluted earnings per share, profit or loss and the average number of shares are adjusted to take account of the effects of potential ordinary shares arising, in the periods presented, from warrants issued in share issues. These warrants are only dilutive when the average price of ordinary shares during the period exceeds the warrants' exercise price. Potential ordinary shares are considered dilutive only in periods when they result in a lower profit or greater loss per share.

### **Employee benefits**

#### **Short-term benefits**

Short-term employee benefits are calculated on an undiscounted basis and recognised as an expense when the related services are received.

#### **Defined contribution pension schemes**

Defined contribution pension schemes are schemes where the company's obligation is limited to the contributions it has undertaken to pay. In this case, the amount of the employee's pension depends on the contributions paid by the company to the scheme or to an insurance company and the return on capital generated by the contributions. Consequently, it is the employee who bears the actuarial risk (the risk that the benefits will be lower than expected) and the investment risk (the risk that the assets invested will be insufficient to provide the expected benefits). The company's obligations in respect of contributions to defined contribution schemes are recognised as an expense in profit or loss as they are earned by employees rendering services to the company during a period.

#### **Employee termination benefits**

An expense for employee termination benefits is recognised at the earlier of when the company can no longer withdraw the offer to employees or when 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 in that there is uncertainty about the timing or amount of the payment to settle the provision. A provision is recognised in the statement of financial position when there is an existing legal or constructive obligation as a result of a past event, and it is probable of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are recognised in the amount that is the best estimate of the amount required to settle the present obligation at the balance sheet date. Where the effect of the timing of payments is material, provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### **Warranties**

A provision for warranties is recognised when the underlying products or services are sold. This provision is based on historical data on warranties and a weighing of possible outcomes against the probabilities associated with those outcomes.

### **Contingent liabilities**

Contingent liabilities are disclosed when there is a possible commitment that arises from past events and whose existence will be confirmed only by one or more uncertain future events beyond the Group's control or when there is a commitment that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required or cannot be measured with sufficient reliability.

### **Parent company 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 statements issued by the Swedish Financial Reporting Board for quoted companies are also applied. RFR 2 means that the parent company in the annual report for the legal entity should apply all IFRS and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act and the 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 parent company's accounting policies set out below have been applied consistently to all periods presented in the parent company's financial statements.

### **Classification and forms of organisation**

For the parent company, an income statement and a statement of profit or loss and other comprehensive income are presented, where for the Group these two statements combined constitute a statement of profit or loss and other comprehensive income. Furthermore, for the parent company, the term balance sheet is used for the report that is entitled consolidated statement of financial position for the Group. The parent company's income statement and balance sheet are prepared in accordance with the Swedish Annual Accounts Act, while the statement of profit or loss and other 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 respectively. The differences between the parent company's income statement and balance sheet and those of the Group are mainly due to the recognition of financial income and expenses, non-current assets, equity and the existence of provisions as 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 investments in subsidiaries, associates and jointly controlled entities. In the consolidated financial statements, transaction costs relating to subsidiaries are recognised directly in profit or loss as incurred.

**Revenue****Works contracts**

In the parent company, construction contracts are recognised at a fixed price when the contract is completed. Until then, work in progress relating to construction contracts is recognised at the lower of cost and net realisable value at the balance sheet date.

**Financial instruments and hedge accounting**

The parent company has opted not to apply IFRS 9 for financial instruments. However, some of the principles of IFRS 9 still apply, such as those relating to impairment, recognition/derecognition, criteria for applying hedge accounting and the effective interest method for interest income and interest expense.

In the parent company, financial fixed assets are valued at acquisition cost less any impairment and financial current assets at the lower of cost or market. For financial assets carried at amortised cost, the impairment rules of IFRS 9 are applied.

**Operating segment reporting**

The parent company does not report segments on the same basis and to the same extent as the Group, but discloses the allocation of net sales to the parent company's business segments.

**Leasade assets**

The parent company does not apply IFRS 16 in accordance with the exemption in RFR 2. As a lessee, lease payments are recognised as an expense on a straight-line basis over the lease term and, accordingly, right-of-use assets and lease liabilities are not recognised 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

A summary of the breakdown of revenue from contracts with customers by major product and service areas is given below.

Product line Product/service area	Manufacturing equipment		Solar roofs		Total	
	Jan.–Dec.	Jan.–Dec.	Jan.–Dec.	Jan.–Dec.	Jan.–Dec.	Jan.–Dec.
Production equipment for solar cell production	5 997	4 806	–	–	5 997	4 806
Process for solar cell production	–	–	–	–	–	–
Service and support	403	2 593	–	–	403	2 593
Solar panels	–	–	29 599	26 046	29 599	26 046
Photovoltaic roof installation works	–	–	13 579	19 833	13 579	19 833
Other	–	–	52	99	52	99
<b>Total</b>	<b>6 400</b>	<b>7 399</b>	<b>43 230</b>	<b>45 978</b>	<b>49 630</b>	<b>53 377</b>

All remaining performance obligations as at 31 December 2023 have an original expected maturity of one year or less.

### Contract balances

Information about receivables, contract assets and contract liabilities from contracts with customers

#### Parent company

TSEK	2023-12-31	2022-12-31
Contract assets	26 384	30 343
Advances from customers	-192 110	-288 510

#### Group

TSEK	2023-12-31	2022-12-31
Contract assets	36 508	73 921
Contract liabilities	–	–

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.

## Note 3 Operating segments

The Group's activities are organised into operating segments based on business areas monitored by the chief operating decision-maker, known as the management approach.

The Group's internal reporting is structured on the basis that Group management monitors the business as a whole.

Based on this internal reporting, the Group has identified that it has only one segment.

### Geographic areas

#### Group

Product line	Manufacturing equipment		Solar roofs		Total	
	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.	Jan.-Dec.
Sweden	40	–	36 633	44 667	36 673	44 667
China/Hong Kong	462	4 812	133	162	595	4 974
EU	0	0	974	647	974	647
Export	5 898	2 586	5 490	502	11 388	3 088
<b>Total</b>	<b>6 400</b>	<b>7 398</b>	<b>43 230</b>	<b>45 978</b>	<b>49 630</b>	<b>53 376</b>

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

## Note 4 Other operating income

### Parent company

TSEK	2023-12-31	2022-12-31
Public grants	452	286
Dispute compensation	-	-
Exchange rate gains	6 049	5 250
Other	-11 066	-
<b>Total</b>	<b>-4 565</b>	<b>5 536</b>

### Group

TSEK	2023-12-31	2022-12-31
Public grants	6 805	88 454
Dispute compensation	-	-
Exchange rate gains	10 785	13 811
Other	125	-
<b>Total</b>	<b>17 715</b>	<b>102 265</b>

## Note 5 Other operating expenses

### Parent company

TSEK	2023-12-31	2022-12-31
Exchange rate losses	-6 707	-19 821
Other operating expenses	-29	-
<b>Total</b>	<b>-6 736</b>	<b>-19 821</b>

### Group

TSEK	2023-12-31	2022-12-31
Exchange rate losses	-14 438	-4 820
Other operating expenses	-35	-
<b>Total</b>	<b>-14 473</b>	<b>-4 820</b>

## Note 6 Employees, personnel costs and remuneration of senior executives

### Average number of employees

Employees	2023-12-31 Of whom men		2022-12-31 Of whom men	
<b>Parent company</b>				
Sweden	117	71%	111	73%
Total parent company	117	71%	111	73%
<b>Subsidiaries</b>				
Sweden	6	59%	–	–
Italy	4	75%	3	100%
<b>Group total</b>	<b>124</b>	<b>71%</b>	<b>114,475</b>	<b>74%</b>

### Gender distribution in company management

	2023-12-31	2022-12-31
Parent company	Proportion of women	Proportion of women
Board of Directors	17%	17%
Other senior executives	33%	13%
<b>Group total</b>		
Board of Directors	17%	14%
Other senior executives	33%	11%

**Salaries and other remuneration distributed between senior executives and other employees and social security costs in the parent company**

TSEK Parent company	2023			2022		
	Senior executives	Other employees	Total	Senior executives	Other employees	Total
Salaries and other remuneration	7 311	49 251	56 561	6 118	51 961	58 078
(of which bonuses, etc.)	-	-	-	-	-	-
Parent company total	7 311	49 251	56 561	6 118	51 961	58 078
(of which bonuses, etc.)	-	-	-	-	-	-
Social security contributions <sup>1</sup>	3 474	18 996	22 470	2 694	18 691	21 385
<sup>1</sup> of which pension costs	1 324	3 349	4 673	1 024	2 986	4 011

**Salaries and other remuneration distributed between senior executives and other employees and social security costs in the Group**

TSEK Group	2023			2022		
	Senior executives	Other employees	Total	Senior executives	Other employees	Total
Salaries and other remuneration	7 311	54 967	62 277	8 331	47 164	55 495
(of which bonuses, etc.)	-	-	-	-	-	-
Group total	7 311	54 967	62 277	8 331	47 164	55 495
(of which bonuses, etc.)	-	-	-	-	-	-
Social security contributions <sup>1</sup>	3 474	20 991	24 465	3 555	18 734	22 289
<sup>1</sup> of which pension costs	1 324	3 349	4 673	1 176	2 835	4 011

## Salaries and other remuneration to senior executives, parent company, 2023

SEK thousand	Basic salary, Board fee	Variable remuneration	Pension costs	Share-based payment	Other remuneration	Total	Pension commitments
Sven Lindström, CEO	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	-	-	-	-	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-Ohtsén	250	-	-	-	-	250	-
Johan Magnusson	275	-	-	-	-	275	-
<b>Total</b>	<b>5 860</b>	<b>-</b>	<b>1 024</b>	<b>-</b>	<b>257</b>	<b>7 142</b>	<b>-</b>

Sven Lindström resigned as CEO on 31 January 2024, Eric Jaremalm took over as CEO on 1 February 2024.

## Salaries and other remuneration to senior executives, parent company, 2022

TSEK	Basic salary, Board fee	Variable remuneration	Pension costs	Share-based payment	Other remuneration	Total	Pension commitments
Sven Lindström, CEO	2 925	-	688	-	75	3 687	-
Remuneration from parent company	2 925	-	688	-	75	3 687	-
Other senior executives	-	-	-	-	-	-	-
Robert Sjöström	233	-	-	-	-	233	-
Jan Lombach	271	-	-	-	-	271	-
Lars-Ola Lundkvist	271	-	-	-	-	271	-
Mikael Nicander	146	-	-	-	-	146	-
Christel Prinsén	146	-	-	-	-	146	-
Eric Jaremalm	1 960	-	454	-	150	2 564	-
Philip Gao	-	-	-	-	-	-	-
Åsa Jynnesjö	1 076	-	182	-	59	1 317	-
Remuneration from parent company	4 102	-	636	-	209	4 947	-
<b>Total</b>	<b>7 027</b>	<b>-</b>	<b>1 324</b>	<b>-</b>	<b>284</b>	<b>8 635</b>	<b>-</b>

## Note 7 Auditor's fees and expenses

TSEK	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
KPMG [Mattias Lötbörn]				
Audit assignment	1850	1255	1850	1255
Audit activities other than the audit assignment	140	-	140	-
Tax advice	30	-	30	-
Other services	-	55	-	55
<b>Total</b>	<b>2 020</b>	<b>1 310</b>	<b>2 020</b>	<b>1 310</b>

'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 income

### Parent company

TSEK	2023-12-31	2022-12-31
Interest income	9 905	7 570
Exchange rate gains, net	644	23 737
<b>Total</b>	<b>10 549</b>	<b>31 307</b>
Interest expense	-26 250	-19 408
Other financial expenses	-	-600
<b>Total</b>	<b>-26 250</b>	<b>-20 008</b>

### Group

TSEK	2023-12-31	2022-12-31
Interest income	2 069	653
Exchange rate gains, net	960	927
<b>Total</b>	<b>3 029</b>	<b>1 580</b>
Interest expense	-27 188	-19 680
Other financial expenses	-323	-600
<b>Total</b>	<b>-27 511</b>	<b>-20 280</b>

## Note 9 Taxes

### Recognised in the statement of profit or loss and other comprehensive income/ income statement

#### Parent company

TSEK	2023-12-31	2022-12-31
Deferred tax income	-	-

#### Group

TSEK	2023-12-31	2022-12-31
Deferred tax income	3 051	1 132

### Reconciliation of effective tax

#### Parent company

TSEK	2023 %	2023	2022 %	2022
Profit before tax		-151 556		77 497
Tax according to tax rate for the parent company	20,6%	31 221	20,6%	-15 964
Non-deductible expenses	-2,8%	-4 248	4,0%	-3 065
Tax-exempt income	0,0%	21	0,0%	0
Utilisation of previous non-capitalised loss carryforwards	0,0%	-	0,0%	19 029
Tax effect of share issue expenses	0,0%	-	0,0%	-
Increase in loss carryforwards without corresponding capitalisation of deferred tax	-17,8%	-26 993	-24,6%	-
Revaluation of previously recognised deferred tax	-	-	-	-
Effective tax recognised	-	-	-	-

#### Group

TSEK	2023 %	2023	2022 %	2022
Profit before tax		-225 265		-88 967
Tax according to tax rate for the parent company	20,6%	46 405	20,6%	18 327
Effect of other tax rates for foreign subsidiaries	0,7%	1 660	1,1%	956
Non-deductible expenses	-2,0%	-4 577	-3,5%	-3 072
Tax-exempt income	0,0%	100	0,0%	-
Utilisation of previous non-capitalised loss carryforwards	0,0%	-	0,0%	-
Change in taxable temporary differences without the equivalent posting of deferred tax	12,0%	-26 993	0,0%	-18 546
Increase in loss carryforwards without corresponding capitalisation of d	0,0%	-	0,0%	-
Other	-6,0%	-13 544	3,9%	3 469
Revaluation of previously recognised deferred tax	-	-	-	-
Effective tax recognised	1,4%	3 051	-	1 134

## 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	2023-12-31	2022
Tax losses	263 510	131 920

#### Group

TSEK	2023-12-31	2022
Parent company's tax losses	263 510	131 920
<b>Total</b>	<b>263 510</b>	<b>131 920</b>

## Change in deferred tax in temporary differences and unused loss carry-for-

#### Group

TSEK	Balance as at 2023-01-01	Reported in profit for the year	Reported in other comp. inc.	Reported	Acquisition/Divest in ment of business equity activities	Balance as at 2023-12-31
Capitalisation of loss carry-forwards	1 851	3 051	-	-	-	4 902

TSEK	Balance as at 2022-01-01	Reported in profit for the year	Reported in other comp. inc.	Reported	Acquisition/Divest in ment of business equity activities	Balance as at 2022-12-31
Capitalisation of loss carry-forwards	719	1 851	-	-	-	2 570

## Note 10 Earnings per share

### Profit for the year attributable to the parent company's ordinary shareholders

TSEK	2023-12-31	2022-12-31
Profit for the year attributable to the parent company's ordinary shareholders	-2,15	-1,30

The Group's profit after tax in 2023 was -222,214 (-87,836).

The average number of shares in 2023 was 103,463,118 shares (67,741,406 shares).

### Long-term incentive programme (LTI 2023)

The Extraordinary General Meeting of 14 April 2023 approved the Board's proposal to introduce a long-term incentive programme for 2023 (LTI 2023). The Board of Directors believes that the introduction of a broad performance-based incentive programme focused on rewarding growth with a view to profitability will be beneficial to the Company's ability to achieve its business objectives and will contribute to the Company's ability to retain and recruit employees. To ensure and maximise the employee's engagement in the company, the allocation of these rights in LTI 2023 will be conditional upon the participants allocating privately held savings shares to the programme. The programme is open to all Group employees. The incentive programme is divided into three categories: Group 1 (2 participants, CEO and Deputy CEO), Group 2 (13 participants, Extended Group Management), and Group 3 (108 participants, other employees). Participation required participants to have their own shareholding in Midsummer representing Group 1 – 15,000 Savings Shares, Group 2 – 10,000 Savings Shares and Group 3 – 2,000 Savings Shares.

### Matching and Performance Rights

Each Saving Share acquired in LTI 2023 entitles the participant to one (1) matching right ('Matching Rights') and three (3) performance rights ('Performance Rights'). Matching Rights and Performance Rights are granted without any compensation being paid. A Matching Right and a Performance Right mean that a participant in the programme is entitled, for each right held, to acquire up to one warrant in the Company (a 'Share Right'). This entitles the holder to acquire one share in the Company at a price equivalent to the quota value of the share (SEK 0.04), provided that the qualifying conditions below have been met.

Retention - The Participant must be a company employee or consultant until the publication of the company's interim report for the first quarter of 2026, or, if no such report is published, on 1 June 2026 (the 'Vesting Period').

Retention – The Participant may not have disposed of any of the Saving Shares allocated to the Programme during the Vesting Period.

Performance Targets (only applicable for Performance Rights) – In order for the Performance Rights to entitle to full allocation of Share Awards, the company must achieve two performance targets for the period from Q2 2025 up to and including Q1 2026 based on revenue and EBITDA ('Performance Targets'). If the Performance Targets are not achieved, the number of Share Awards that a Participant may be granted under LTI 2023 for the Performance Rights held by the Participant will gradually be reduced to zero, depending on the extent to which the Performance Targets are achieved. The two levels measured are "Entry" and "Target", while an Achievement Award will not entitle to any award if performance falls below the Entry level and it will entitle to a full award if the Target level is reached or exceeded, with linear allocation between them.

Other terms and conditions - For the Matching Rights and Performance Rights, the profit per allotted Matching Right and Performance Right is limited to a maximum amount equivalent to an increase in value of 400 per cent of Midsummer AB's share price as of 17 March 2023, when the company's share price was SEK 6.5. In the event that the profit exceeds this limit, an adjustment will be made by recalculating downwards to the same extent the number of Share Awards the participant will receive per Matching Right and Performance Right. Participants are not entitled to transfer, pledge or dispose of the Matching Rights and the Performance Rights, or to exercise any shareholder rights in respect of the Matching Rights and the Performance Rights, during the Vesting Period.

### **Design and management**

The Board of Directors is responsible for the detailed design and management of LTI 2023, as well as the detailed terms and conditions that will apply between the company and the participant in the programme, subject to the terms and guidelines set out herein. In connection therewith, the Board of Directors is entitled to determine deviating terms and conditions for the programme regarding, inter alia, the Vesting Period and the award in case of termination of assignments during the Vesting Period under certain conditions. The Board of Directors shall also be authorised to make adjustments to meet special rules or market conditions.

### **Maximum size and dilution**

The maximum number of Matching Rights and Performance Rights that can be granted under LTI 2023 is 1,504,000. The number of shares covered by LTI 2023 may be subject to recalculation as a result of the company carrying out a bonus issue, reverse share split, share split, rights issue or similar measures, in accordance with the customary practice for corresponding incentive programmes. Recalculation should also be made to take account of extraordinary dividends. The maximum number of Matching Rights and Performance Rights is equal to a dilution of approximately 1.89 per cent of the company's outstanding shares. A total of 1,976,556 warrants will be issued to enable allocation under the Matching and Performance Rights (1,504,000 warrants) and to secure costs for LTI 2023 (472,556 warrants), which is equivalent to approximately 2.8 per cent of the outstanding shares in the company when the programme is established.

## Note 11 Intangible fixed assets

All intangible assets are amortised, except for goodwill. The Group does not currently have any goodwill.

### Parent company

TSEK	Internally developed intangible assets	Acquired intangible assets	Total
	Development expenses	Concessions, patents, licenses, trademarks and similar rights	

### Accumulated cost

Opening balance as at 2023-01-01	177 010	1 856	178 866
Investments	1 343	20	1 363
Internally developed assets	18 650	–	18 650
<b>Closing balance as at 2023-12-31</b>	<b>197 003</b>	<b>1 877</b>	<b>198 879</b>
Opening balance as at 2022-01-01	156 875	1 809	158 685
Investments	–	47	47
Internally developed assets	20 134	–	20 134
<b>Closing balance as at 2022-12-31</b>	<b>177 010</b>	<b>1 856</b>	<b>178 866</b>

### Accumulated amortisation

Opening balance as at 2023-01-01	-123 384	-1 317	-124 701
Amortisation for the year	-21 064	-90	-21 155
<b>Closing balance as at 2023-12-31</b>	<b>-144 448</b>	<b>-1 408</b>	<b>-145 856</b>
Opening balance as at 2022-01-01	-104 362	-1 227	-105 590
Amortisation for the year	-19 022	-91	-19 112
<b>Closing balance as at 2022-12-31</b>	<b>-123 384</b>	<b>-1 317</b>	<b>-124 702</b>

### Carrying amounts

As at 2023-01-01	53 626	539	54 164
As at 2023-12-31	52 554	469	53 023
As at 2022-12-31	52 513	583	53 096
As at 2022-12-31	53 626	539	54 164

## Group

TSEK	Internally developed intangible assets	Acquired intangible assets	Total
	Development expenses	Concessions, patents, licenses, trademarks and similar rights	

### Accumulated cost

Opening balance as at 2023-01-01	177 010	2 022	179 032
Investments	1 343	241	1 584
Internally developed assets	18 650	–	18 650
<b>Closing balance as at 2023-12-31</b>	<b>197 003</b>	<b>2 263</b>	<b>199 265</b>
Opening balance as at 2022-01-01	156 875	1 962	158 837
Investments	–	60	60
Internally developed assets	20 134	–	20 134
<b>Closing balance as at 2022-12-31</b>	<b>177 010</b>	<b>2 022</b>	<b>179 032</b>

### Accumulated amortisation

Opening balance as at 2023-01-01	-123 384	-1 317	-124 701
Amortisation for the year	-21 064	-90	-21 155
<b>Closing balance as at 2023-12-31</b>	<b>-144 449</b>	<b>-1 408</b>	<b>-145 855</b>
Opening balance as at 2022-01-01	-104 362	-1 227	-105 589
Amortisation for the year	-19 022	-91	-19 113
<b>Closing balance as at 2022-12-31</b>	<b>-123 384</b>	<b>-1 317</b>	<b>-124 700</b>

### Carrying amounts

As at 2023-01-01	53 626	705	54 332
As at 2023-12-31	52 554	855	53 410
As at 2022-12-31	52 513	734	53 249
As at 2022-12-31	53 626	705	54 332

## Note 12 Property, plant and equipment

TSEK	Leasehold improvements	Plant and machinery	Equipment, tools and installations	Total
<b>Accumulated cost</b>				
Opening balance as at 2023-01-01	9 788	68 607	–	78 395
Acquisitions	–	608	–	608
Divestments and disposals	–	-354	424	70
<b>Closing balance as at 2023-12-31</b>	<b>9 788</b>	<b>68 861</b>	<b>424</b>	<b>79 073</b>
Opening balance as at 2022-01-01	9 607	68 308	–	77 915
Acquisitions	181	300	–	481
Divestments and disposals	–	–	–	0
<b>Closing balance as at 2022-12-31</b>	<b>9 788</b>	<b>68 607</b>	<b>–</b>	<b>78 396</b>
<b>Accumulated amortisation</b>				
Opening balance as at 2023-01-01	-1 879	-51 814	–	-53 692
Divestments and disposals	–	147	–	147
Depreciation according to plan for the year	-489	-6 755	-28	-7 273
<b>Closing balance as at 2023-12-31</b>	<b>-2 368</b>	<b>-58 422</b>	<b>-28</b>	<b>-60 819</b>
Opening balance as at 2022-01-01	-1 393	-43 721	–	-45 114
Divestments and disposals	–	–	–	–
Depreciation according to plan for the year	-486	-8 093	–	-8 579
<b>Closing balance as at 2022-12-31</b>	<b>-1 879</b>	<b>-51 814</b>	<b>–</b>	<b>-53 692</b>
<b>Carrying amounts</b>				
As at 2023-01-01	7 909	16 793	–	24 702
As at 2023-12-31	7 420	10 439	395	18 255
As at 2022-12-31	8 214	24 586	–	32 800
As at 2022-12-31	7 909	16 792	–	24 700

TSEK	Properties	Leasehold improvements	Plant and machinery	Equipment, tools and installations	Total
<b>Accumulated cost</b>					
Opening balance as at 2023-01-01	58 816	9 788	130 798 –		199 402
Reclassification	-17 010	–	15 703	1 307	–
Translation difference	-92	–	-5 867	-2	-5 961
Investments	1 381	–	41 804	487	43 672
<b>Closing balance as at 2023-12-31</b>	<b>43 096</b>	<b>9 788</b>	<b>182 438</b>	<b>1 792</b>	<b>237 114</b>
<b>Accumulated amortisation</b>					
Opening balance as at 2023-01-01	–	-1 879	-52 136	–	-54 015
Reclassification	–	–	320	-320	–
Translation difference	–	–	–	-2	-2
Amortisation for the year	0	-489	-6 632	-195	-7 316
<b>Closing balance as at 2023-12-31</b>	<b>–</b>	<b>-2 368</b>	<b>-58 448</b>	<b>-517</b>	<b>-61 332</b>
<b>Carrying amounts</b>					
As at 2023-01-01	58 816	7 909	78 662	–	145 387
As at 2023-12-31	43 096	7 420	123 990	1 275	175 781
As at 2022-12-31	19 086	8 214	114 887	–	123 101
As at 2022-12-31	58 816	7 909	78 662	–	145 387

## Note 13 Non-current and other receivables

### Group and parent company

TSEK	2023-12-31	2022-12-31
<b>Non-current receivables that are non-current assets</b>		
Receivables among employees	130	180
Deposit	40	40
<b>Total</b>	<b>170</b>	<b>220</b>

### Group and parent company

TSEK	2023-12-31	2022-12-31
<b>Non-current receivables</b>		
Accumulated cost		
At start of year	220	40
<b>Closing balance as at 31 December</b>	<b>170</b>	<b>220</b>

## Note 14 Inventories

### Parent company

TSEK	2023-12-31	2022-12-31
<b>Raw materials and consumables</b>	<b>26 986</b>	<b>16 726</b>
Goods in progress	54 822	33 745
Finished goods and goods for resale	2 543	2 543
<b>Total</b>	<b>84 351</b>	<b>53 015</b>

### Group

TSEK	2023-12-31	2022-12-31
<b>Raw materials and consumables</b>	<b>26 986</b>	<b>16 726</b>
Goods in progress	1 644	1 202
Finished goods and goods for resale	2 543	2 543
<b>Total</b>	<b>31 173</b>	<b>20 471</b>

The reserve for obsolescence is included in the value of inventories. The impairment amount totalled SEK 644 thousand (SEK 517 thousand).

Cost of goods sold amounts to SEK 45 211 thousand for the period.

## Note 15 Prepaid expenses and accrued income

TSEK	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Rent	-	96	-	1 132
Insurance	77	190	77	190
Other prepayments	940	832	899	814
Accrued contract revenue INVITALIA	99 037	130 134	-	-
Prepaid leases	15	256	313	454
<b>Total</b>	<b>98 937</b>	<b>131 508</b>	<b>1 289</b>	<b>2 590</b>

## Note 16 Equity

### Parent company

TSEK	2023-12-31	2022-12-31
Ingående redovisat värde 2023-01-01	53 627	54 273
Funding for capitalised own development work	17 285	251
Amortisation of capitalised own development	-18 357	-897
<b>Utgående redovisat värde 2023-12-31</b>	<b>52 556</b>	<b>53 627</b>

### Types of shares

Ordinary shares	2023-12-31	2022-12-31
Issued as at 1 January	67 741 409	67 741 409
Cash issue	61 686 055	-
<b>Issued as at 31 December – paid</b>	<b>129 427 464</b>	<b>67 741 409</b>

The number of shares on 31 December 2023 was 129,427,464 (67,741,409).

Holders of ordinary shares are entitled to dividends which are determined in due course and the shareholding entitles the holder to one vote per share at the General Meeting.

The share capital in Midsummer amounted to SEK 5177 thousand (SEK 2710 thousand) as of 31 December 2023 and was divided into 129,427,464 shares (67,741,409 shares) with a quota value of SEK 0.04 (SEK 0.04).

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 foreign exchange differences arising from the translation of the financial statements of foreign operations that have prepared their financial statements in a currency other than the currency in which the consolidated financial statements are presented. The parent company and the Group present their financial statements in Swedish kronor.

**Parent company****Special-purpose assets**

Special-purpose assets may not be reduced through profit distribution. Development expenditure fund The amount capitalised in respect of internally generated development expenditure is transferred from unrestricted equity to the development expenditure fund in restricted equity. The fund is reduced as the capitalised expenditure is depreciated or reduced. It is managed in a similar way to the revaluation reserve.

**Unrestricted equity**

The following funds, together with the profit for the year, constitute unrestricted equity, i.e. the amount available for distribution to 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.

**Loss brought forward**

Loss brought forward consists of the previous year's retained earnings and profit after deduction of dividends paid during the year.

## Note 17 Interest-bearing liabilities

The following provides information on the company's contractual terms and conditions for interest-bearing liabilities. For more information on the company's exposure to interest rate risk and foreign exchange rate risk, please see note 22.

### Group

TSEK	2023-12-31	2022-12-31
<b>Non-current liabilities</b>		
Loans from creditors	210 000	10 000
Leasing liabilities	9 849	14 692
<b>Total non-current interest-bearing liabilities</b>	<b>219 849</b>	<b>24 692</b>
<b>Current liabilities</b>		
Current portion of loans from creditors	8 950	215 215
Current portion of leasing liabilities	7 707	5 006
<b>Total current interest-bearing liabilities</b>	<b>16 657</b>	<b>220 221</b>

For information on contractual terms and scheduled repayments, see the table below. Collateral for the loans from creditors is provided in the amount of SEK 34,500 thousand (SEK 34,500 thousand) in floating charges (please also see note 24).

TSEK	Currency	Nom. interest	Due	Carrying amount		Carrying amount	
				Nom. amount	Nom. amount	Nom. amount	Nom. amount
				2023-12-31	2022-12-31	2023-12-31	2022-12-31
Green bond	SEK	13,00%	2026	200 000	200 000	200 000	200 000
Conditional loan Swedish Energy Agency	SEK	5,50%	2024	5 192	5 192	5 192	5 192
Leasing liabilities	SEK	2,50%	2023	17 556	17 556	19 698	19 698
Loans from credit institutions	SEK	7,50%	2025	13 758	13 758	20 023	20 023
<b>Total</b>				<b>236 506</b>	<b>236 506</b>	<b>244 913</b>	<b>244 913</b>

## Note 18 Liabilities to credit institutions

### Parent company

TSEK	2023-12-31	2022-12-31
Non-current liabilities		
Loans from creditors	210 000	10 000
Current liabilities		
Current portion of loans from creditors	8 942	215 215
Liabilities that fall due for payment later than five years after balance sheet date	-	-

## Note 19 Provisions

### Group/parent company

TSEK	2023-12-31	2022-12-31
Warranty obligations	3 097	2 315
<b>Total</b>	<b>3 097</b>	<b>2 315</b>

### Group/parent company

TSEK	2023-12-31	2022-12-31
Carrying amount at start of period	2 315	-
Provisions made during the period	886	2 920
Amount used during the period	-104	-605
<b>Carrying amount at end of period</b>	<b>3 097</b>	<b>2 315</b>

### Warranties

The provision for warranties is related to the sale of solar cell manufacturing machinery and the installation of solar cell roofs. This provision is estimated on the basis of historical data for warranties linked to machine sales.

## Note 20 Accrued expenses and deferred income

TSEK	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Annual leave pay incl. social security contributions	298	5 456	220	5 421
Special payroll tax	1 136	814	1 136	814
Reorganisation costs	3 372	-	2 466	-
Prepaid income	834	-	834	-
Other accruals	23 498	418	23 280	418
Accrued interest expenses	11 092	3 838	11 092	3 838
<b>Total</b>	<b>40 231</b>	<b>10 526</b>	<b>39 027</b>	<b>10 491</b>

## Note 21 Fair value measurement of financial assets and liabilities and categorisation

### Group

TSEK	Carrying amount as at 2023-12-31		
	Financial assets valued at amortised cost	Other liabilities	Total
<b>Financial assets</b>			
Other non-current receivables	170		170
Trade receivables	10 763		10 763
Other receivables	65 665		65 665
Accrued income	98 937		98 937
Cash and cash equivalents	20 523		20 523
<b>Total</b>	<b>196 058</b>		<b>196 058</b>
<b>Financial liabilities</b>			
Liabilities to credit institutions		218 950	218 950
Accrued expenses		35 591	35 591
Trade payables		15 528	15 528
Other current liabilities		27 514	27 514
<b>Total</b>		<b>297 583</b>	<b>297 583</b>

TSEK	Carrying amount as at 2022-12-31		
	Financial assets valued at amortised cost	Other liabilities	Total
<b>Financial assets</b>			
Other non-current receivables	220		220
Trade receivables	16 041		16 041
Other receivables	1 641		1 641
Accrued income	131 508		131 508
Cash and cash equivalents	2 388		2 388
<b>Total</b>	<b>151 798</b>		<b>151 798</b>
<b>Financial liabilities</b>			
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
<b>Total</b>		<b>263 685</b>	<b>263 685</b>

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

## Note 22 Financial risks and risk management

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 financial risk management policy has been developed by the Board of Directors. It provides a framework of guidelines and rules in the form of policies and individual assessments of customers and transactions. Responsibility for the Group's financial transactions and risks is managed centrally by the Group's Treasury Department, which is located within the parent company and headed by the parent company's CFO. The overall objective of the Treasury Department is to provide cost-effective funding and to minimise the negative impact of market risks on the Group's performance. The Head of the Central Treasury Department reports regularly to the Group Management and the Board of Directors.

### Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss and arises principally from the Group's trade receivables 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, management considers the factors that may affect the credit risk of the customer base, including the risk of default associated with the industry and country in which 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.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, their geographical location, trading history with the Group and the existence of past 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 contract assets for which impairment reserves have not been recognised due to collateral.

At 31 December 2023, the credit exposure for trade receivables and contract assets by geographical region is as follows.

TSEK	Carrying amount	
	2023-12-31	2022-12-31
Sweden	5 705	12 224
China/Hong Kong	15 647	50 524
EU	25 764	24 796
Other regions	155	2 419
<b>Total</b>	<b>47 271</b>	<b>89 963</b>

At 31 December 2023, the carrying amount of the Group's largest customer was SEK 5168 thousand (2022: SEK 3050 thousand).

### Reserve for anticipated credit losses

The Group makes an individual assessment of its trade receivables and contract assets for the risk of default. The loss allowance for trade receivables and contract assets is always measured at an amount equal to the expected credit losses over the receivable's remaining life. The Group has no history of credit losses, therefore the risk of loss due to default is very low. The Group currently has no provision for expected credit losses.

### Credit risk in cash and cash equivalents

The Group has cash and cash equivalents of SEK 20,523 thousand on 31 December 2023.

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

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

### Capital management

According to the Board's policy, the Group's financial objective is to have a sound financial position, which contributes to maintaining investor, creditor and market confidence and provides a basis for the continued development of the business, while generating a satisfactory long-term return for shareholders.

Capital is defined as total equity, excluding non-redeemable preference shares.

TSEK	2023-12-31	2022-12-31
Total equity	199 293	183 482
<b>Debt/equity ratio</b>		
Financial liabilities	237 791	248 751
Minus cash and cash equivalents and current investments	-20 523	-2 388
<b>Net debt</b>	<b>217 268</b>	<b>246 363</b>
<b>Debt/equity ratio (Net debt/Total equity)</b>	<b>1,09</b>	<b>1,34</b>

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 ratio of 37.61%.

## Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its commitments associated with financial liabilities. The Group has rolling 12-month liquidity planning covering all Group entities. This plan is updated every month. The Group's 1–4 year forecasts include medium-term liquidity planning.

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 2023, the parent company renegotiated the terms of the green bond raised in the first half of 2019.

The interest rate is now fixed and divided into 3% cash and 10% PIK. This means that Midsummer AB pays SEK 1,500 thousand in cash per quarter and SEK 5,000 thousand is added in PIK interest per quarter, which is then paid in kind annually.

The Green Bond matures on 25 April 2026.

### Parent company

TSEK	Currency	Nom. amount original currency	2023-12-31				2022-12-31			
			Total	<1 year	>1-5 years	>5 years	Total	<1 year	>1-5 years	>5 years
Loans from creditors	SEK	235 192	218 942	43 520	250 914	–	232 841	221 108	11 733	–
<b>Total</b>		<b>235 192</b>	<b>218 942</b>	<b>43 520</b>	<b>250 914</b>	<b>–</b>	<b>232 841</b>	<b>221 108</b>	<b>11 733</b>	<b>–</b>

### Group

TSEK	Currency	Nom. amount original currency	2023-12-31				2022-12-31			
			Total	<1 year	>1-5 years	>5 years	Total	<1 year	>1-5 years	>5 years
Loans from creditors	SEK	235 192	218 942	43 520	250 914	–	232 841	221 108	11 733	–
Leasing liabilities	SEK	17 556	17 556	7 707	9 849	–	6 422	5 006	14 692	–
<b>Total</b>		<b>252 748</b>	<b>236 498</b>	<b>51 227</b>	<b>260 763</b>	<b>–</b>	<b>239 263</b>	<b>226 114</b>	<b>26 425</b>	<b>–</b>

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 in the table above are the Group's best estimate of how these amortisation payments will be made in the future.

Credit facilities (as at 2023-12-31)	Nom. TSEK	Unutilised	Available
Bank overdrafts	2 500	–	2 500

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks are categorised 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 the fair values and cash flows of financial instruments may fluctuate when the value of foreign currencies changes is known as currency risk. The Group is exposed to currency risk on transactions in the sense that there is a mix between the currencies in which sales, purchases, receivables and payables 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% appreciation of the Swedish krona against the US dollar as at 31 December 2023 would result in a change in equity and profit or loss of SEK 1,850 thousand (SEK -3,850 thousand in 2022). The sensitivity analysis is based on the assumption that all other factors (e.g. interest rates) remain unchanged.

The same conditions were applied to 2022.

**Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk can result in changes to fair values and changes to cash flows. A significant factor affecting interest rate risk is the duration of fixed interest rates. The Group's interest rate risk arises mainly from long-term borrowings. The Group's current loans are subject to variable interest rates.

**Sensitivity analysis – interest-rate risk**

The impact on interest income and interest expenses over the next twelve months of an increase/decrease in interest rates of 1 percentage point on the balance sheet date amounts to approximately SEK +/- 2,000 thousand.

## Note 23 Leasing

The Group's leases relate mainly to leases of property, vehicles and machinery, with property accounting for the majority of the right-of-use assets' closing balance at 31 December 2023.

### Right-of-use assets

#### Group

TSEK	Properties	Vehicles	Total
As at 2023-01-01	16 836	3 843	20 679
Depreciation during the year	-3 897	-3 552	-7 449
Additional right-of-use assets	654	5 993	6 647
<b>As at 2023-12-31</b>	<b>12 285</b>	<b>6 284</b>	<b>18 569</b>

TSEK	Properties	Vehicles	Total
As at 2022-12-31	7 634	4 699	12 333
Depreciation during the year	3 907	2 595	6 502
Reclassification	-	-	0
<b>As at 2022-12-31</b>	<b>16 836</b>	<b>3 843</b>	<b>20 679</b>

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

### Amounts recognised in profit

#### Group

TSEK	2023-12-31	2022-12-31
Interest on leasing liabilities	931	273
Costs for variable lease payments	-	-
Costs for low-value leases	1 209	340

### Total cash outflow for leases

#### Group

TSEK	2023-12-31	2022-12-31
Leasing liabilities	17 556	19 698
Variable lease payments	-	-
Low-value leases	1 209	340
<b>Total</b>	<b>18 765</b>	<b>20 038</b>

## Leasing liabilities

### Group

#### Non-current leasing liabilities

TSEK	2023-12-31	2022-12-31
Vehicles	2 743	1 764
Premises	7 106	12 928
<b>Total</b>	<b>9 849</b>	<b>14 692</b>

#### Current leasing liabilities

TSEK	2023-12-31	2022-12-31
Vehicles	3 330	1 937
Premises	4 377	3 069
<b>Total</b>	<b>7 707</b>	<b>5 006</b>

Leases for property and vehicles normally have a duration of 3–5 years.

Rental agreements for premises run for three years ending on 31 December 2026, with renegotiation taking place one year before the end of the term.

For all these contracts there are extension options that the Group can exercise. Whenever possible, the Group endeavours to include such extension options in new leases as it contributes to operational flexibility.

The extension options may only be exercised by the Group, not by the lessor.

The Group leases computers, an air compressor and trailers, all with lease terms of 1–3 years.

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

### Parent company

The description under Group of the types of leases the Group has is consistent with the Parent Company's leases. Future lease payments for the Parent Company are SEK 17,556 thousand as at 31 December 2023.

SEK 2023-12-31 (TSEK).	<1 year	>1–5 years	>5 years	Total
Properties	4 377	7 106	–	11 483
Vehicles	3 330	2 743	–	6 073
<b>Total</b>	<b>7 707</b>	<b>9 849</b>	<b>–</b>	<b>17 556</b>

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

## Note 24 Pledged assets, contingent liabilities and contingent assets

TSEK	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Pledged assets				
In the form of pledged assets for own liabilities and provisions				
Property mortgages	34 500	34 500	34 500	34 500
<b>Total pledged assets</b>	<b>34 500</b>	<b>34 500</b>	<b>34 500</b>	<b>34 500</b>
Contingent liabilities				
<b>Total contingent liabilities</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>

## Note 25 Group companies

Interests in subsidiaries	Subsidiaries' registered office, country	Ägarandel i % 2023-12-31
Midsummer Solar Roofs AB	Järfälla, Sweden	100
Midsummer Italia S.r.L.	Rome, Italy	100
Midsummer Production Sweden AB	Järfälla, Sweden	100

### Parent company

TSEK	2023-12-31	2022-12-31
<b>Accumulated cost</b>		
At start of year	256 387	154
Purchases	15 079	256 233
<b>Closing balance as at 31 December</b>	<b>271 465</b>	<b>256 387</b>

TSEK			2023-12-31	2022-12-31
Subsidiaries / Corporate identity number / Registered office	No. of shares	Shares %	Carrying amount	Carrying amount
Midsummer Roofing AB, 559081-4652, Järfälla, Sweden	50 000	100	5 236	50
Midsummer Italia S.r.L, 15 843 471 002, Rome, Italy	10 000	100	266 205	256 337
Midsummer Production Sweden AB	250	100	25	-

## Note 26 Specifications to the statement of cash flows

### Cash and cash equivalents – Parent Company

TSEK	2023-12-31	2022-12-31
The following components are included in cash and cash equivalents:		
Cash at bank and in hand	13 840	2 212

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 interest received – Parent Company

TSEK	2023-12-31	2022-12-31
Interest received	8 388	654
Interest paid	-5 548	-19 408

### Interest paid and interest received – Group

TSEK	2023-12-31	2022-12-31
Interest received	1 274	654
Interest paid	-5 554	-19 681

### Adjustment for non-cash items – Parent Company

TSEK	2023-12-31	2022-12-31
Depreciation/Amortisation	28 279	27 692
Change of PIA	–	327
Inventory correction	–	–
Interest income from group companies	7 254	–
Unrealised exchange differences	-316	-30 649
Other provisions	782	2 315
<b>Total</b>	<b>35 999</b>	<b>-314</b>

### Adjustment for non-cash items – Group

TSEK	2023-12-31	2022-12-31
Depreciation/Amortisation	35 577	19 520
Change of PIA	–	327
Unrealised exchange differences	-2 701	-23 734
Other provisions	782	2 315
Other	5 009	-99 416
Accrued interest	7 254	-3 070
Deferred tax	3 051	1 132
<b>Total</b>	<b>48 972</b>	<b>-102 926</b>

## Reconciliation of liabilities arising from financing activities – Group

TSEK	2023-01-01	Cash flows	Changes to non-cash	2023-12-31
<b>Non-current liabilities</b>				
Non-current interest-bearing liabilities	10 000	-8 125	208 125	210 000
Leasing liabilities	14 692	-	-4 843	9 849
<b>Total non-current liabilities</b>	<b>24 692</b>	<b>-8 125</b>	<b>203 282</b>	<b>219 849</b>
<b>Current liabilities</b>				
Current portion of liabilities from credit institutions	215 215	-1 875	-204 390	8 950
Current portion of leasing liabilities	5 006	-7 174	9 875	7 707
<b>Total current liabilities</b>	<b>220 221</b>	<b>-9 049</b>	<b>-194 515</b>	<b>16 657</b>
<b>Total liabilities arising from financing activities</b>	<b>244 913</b>	<b>-17 174</b>	<b>8 767</b>	<b>236 506</b>

TSEK	2022-01-01	Cash flows	non-cash items	2022-12-31
<b>Non-current liabilities</b>				
Non-current interest-bearing liabilities	199 700	10 000	-199 700	10 000
Leasing liabilities	5 053	-	9 639	14 692
<b>Total non-current liabilities</b>	<b>204 753</b>	<b>10 000</b>	<b>-190 061</b>	<b>24 692</b>
<b>Current liabilities</b>				
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
<b>Total current liabilities</b>	<b>7 710</b>	<b>8 965</b>	<b>203 546</b>	<b>220 221</b>

## Reconciliation of liabilities arising from financing activities – Parent Company

<b>TSEK</b>	<b>2023-01-01</b>	<b>Cash flows</b>	<b>2023-12-31</b>
<b>Non-current liabilities</b>			
Swedish Energy Agency	5 192	-5 192	0
Loans from credit institutions	20 000	-10 000	10 000
Green bond	200 000	–	200 000
<b>Total non-current liabilities</b>	<b>225 192</b>	<b>-15 192</b>	<b>210 000</b>
<b>Current liabilities</b>			
Current portion of liabilities from credit institutions	8 942	–	8 942
<b>Total current liabilities</b>	<b>8 942</b>	<b>–</b>	<b>8 942</b>
<b>Total liabilities arising from financing activities</b>	<b>234 134</b>	<b>-15 192</b>	<b>218 942</b>

<b>TSEK</b>	<b>2022-01-01</b>	<b>Cash flows</b>	<b>2022-12-31</b>
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>	<b>199 700</b>	<b>25 492</b>	<b>225 192</b>
<b>Current liabilities</b>			
Current portion of liabilities from credit institutions	1 367	-1 367	0
<b>Total current liabilities</b>	<b>1 367</b>	<b>-1 367</b>	<b>0</b>
<b>Total liabilities arising from financing activities</b>	<b>201 067</b>	<b>24 125</b>	<b>225 192</b>

## Note 27 Related party transactions

<b>Sale to Group companies</b>	<b>2023-12-31</b>	<b>2022-12-31</b>
Invoiced to subsidiaries	-24 036	638 165
Revenue subsidiaries	104 400	-288 510
<b>Sale to Group companies</b>	<b>80 364</b>	<b>349 654</b>

<b>Receivables at Group companies</b>	<b>2023-12-31</b>	<b>2022-12-31</b>
Loans to subsidiaries	343 421	426 476
Interest on internal loans	8 445	6 916
<b>Total receivables from Group companies</b>	<b>351 866</b>	<b>433 392</b>

<b>Liabilities to Group companies</b>	<b>2023-12-31</b>	<b>2022-12-31</b>
Liabilities to Group companies	-184 110	-288 510

Remuneration of senior executives, please see Note 6 Employees, personnel costs and remuneration of senior executives

## Note 28 Events after the balance sheet date

Midsummer's Deputy CEO is appointed as the new CEO. He succeeds Sven Lindström, who will be the new Vice President responsible for business development and the production portfolio.

Midsummer received an order for machinery for the production of thin film solar cells from INL, an Iberian research organisation. The order value is just over SEK 16.5 million.

All manufacturing equipment is being delivered to the new factory in Bari and all documentation is being submitted to the Italian authority Invitalia for this milestone, which will trigger the next instalment of the Italian grant.

The deferral of employer contributions received from the Swedish Tax Agency due to reduced income during the COVID pandemic expired at the beginning of 2024, Midsummer has now received an extension on the repayment of the deferral until 12 September 2024, which will facilitate liquidity until the grant payment from INVITALIA.

Midsummer carried out a rights issue which raised SEK 66 million before issue costs.

## Note 29 Key estimates and judgments

Management has discussed with the Board the development, selection and disclosure of the Group's significant accounting policies and estimates, as well as the application of those policies and estimates.

Certain key accounting assumptions and estimates are described below.

### Leases

The Group has leases for both vehicles and premises; for more information see note 23. In determining the amount of the lease liability and the lease asset, assumptions are required as to whether it is reasonably certain that the Group will exercise extension options.

When assessing whether it is reasonably certain that extension options will be exercised for the premises, the Group has taken into account their future growth and based on this assessed how long they can use the current premises.

On this basis, the Group has concluded that it is not reasonably certain that it will exercise the extension options.

However, this may change in the future and it may affect the size of the lease liability and the lease asset.

### Revenue recognition

Revenue is measured based on the consideration specified in the contract with the customer.

The Group recognises revenue when control of a good or service is transferred to the customer.

Determining the timing of the transfer of control, i.e. at a specific point in time or over time, requires assumptions.

## Note 30 Proposal for the appropriation of profits


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

Share premium reserve	755 517 382
Retained earnings	-262 860 304
Profit for the year	-151 556 424
Total	<b>341 100 654</b>

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

as follows:	<b>341 100 654</b>
To be carried forward,	-414 416 728
of which to the share premium reserve	755 517 382

## **Note 31** Information on 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  
175 43 JÄRFÄLLA  
SWEDEN**

The consolidated financial statements for the year ended 31 December 2023 comprise the parent company and its subsidiaries, together referred to as the Group.

# Signatures/submission of the report



As stated above, the annual accounts and consolidated accounts were authorised for issue by the Board of Directors and the Managing Director on 23 April 2024. The consolidated statement of income and other comprehensive income and statement of financial position and the parent company's income statement and balance sheet will be subject to adoption by the Annual General Meeting on 22 May 2024

Stockholm 23 April 2024

Robert Sjöström  
Chairman of the Board

Jan Lombach  
Board Member

Philip Gao  
Board Member

Christel Prinsén  
Board Member

Lars-Ola Lundkvist  
Board Member

Mikael Nicander  
Board Member

Eric Jaremalm  
CEO

Our audit report was presented on 23 April 2024

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 2023 med undantag för bolagsstyrningsrapporten på sidan 26. Bolagets årsredovisning och koncernredovisning ingår på sidorna 19-84 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 2023 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 2023 och av dess finansiella resultat och kassaflöde för året enligt IFRS Accounting Standards, 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.

Våra uttalanden i denna rapport om årsredovisningen och koncernredovisningen är förenliga med innehållet i den kompletterande rapport som har överlämnats till moderbolagets styrelse i enlighet med revisorsförordningens (537/2014) artikel 11.

### 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. Detta innefattar att, baserat på vår bästa kunskap och övertygelse, inga förbudna tjänster som avses i revisorsförordningens (537/2014) artikel 5.1 har tillhandahållits det granskade bolaget eller, i förekommande fall, dess moderföretag eller dess kontrollerade företag inom EU.

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 1-18. 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 Accounting Standards 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.
  - 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.

## 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 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman behandlar förlusten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

#### Grund för uttalanden

Vi har utfört revisionen enligt god revisionsssed 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 fortlöpa 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 någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningskyldighet 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 revisionsssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda

ersättningskyldighet 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 revisionsssed 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 2023.



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 granskningsåtgärder 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 International Standard on Quality Management 1, som kräver att företaget utformar, implementerar och hanterar ett system för kvalitetsstyrning inklusive riktlinjer eller 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 rekommendation 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. Upplýsningar 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.

KPMG AB, Box 382, 101 27, Stockholm, utsågs till Midsummer AB (publ)s revisor av bolagsstämman den 7 juni 2023. KPMG AB eller revisorer verksamma vid KPMG AB har varit bolagets revisor sedan 2007.

Stockholm den 23 april 2024

KPMG AB

Mattias Lötbörn  
Auktoriserad revisor

# Management



## **Eric Jaremalm, 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 financing 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.



## **Sven Lindström, Deputy CEO**

Sven Lindström is one of Midsummer's founders 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 US subsidiary. Previously, he was product manager for their recordable CD and DVD formats. Prior to that, he worked at Mannesmann VDO AG in Frankfurt and IBM Svenska AB in Järfälla. Master of Science in Industrial Engineering and Management, International with Japanese specialisation from Linköping Institute of Technology.



## **Åsa Jynnesjö, Chief Financial Officer**

Åsa Jynnesjö has been Midsummer's CFO since 2022. She has worked as a finance manager for over ten years, most recently for Automile AB (electronic logbook and fleet management) and before that for Nordenta (dental depot). In addition, Åsa has a background as an auditor at PwC where she worked for just over six years. She holds degrees in both economics and commercial law from Uppsala University.

# Board of Directors



## **Robert Sjöström – Board member since 2023, Chairman of the Board since 2023**

For over a decade, Robert Sjöström has held senior positions at leading global consumer health and hygiene company Essity, and previously SCA. As a member of Essity's management team, he has served as President Global Operational Services and CIO, Senior Vice President and Head of Group Strategy & Business Development, CIO, M&A and Global Services. Essity was formed from SCA in 2017 and has sales of SEK 156 billion (2022). It is one of Sweden's 20 largest quoted companies. Independence in relation to the Company and major shareholders.



## **Jan Lombach – Board member since 2006**

Jan Lombach is a lawyer working in the venture capital industry. He has been a partner in Advokatfirman Vinge KB between 1993 and 2008, 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. Independence in relation to the Company and major shareholders.



## **Mr. Philip Gao – Board member since 2015**

Philip Gao is the CEO of Sunflare Solar Co. in California, 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. Independence in relation to the Company and major shareholders.



## **Christel Prinsén – Board member since 2023**

Christel Prinsén has over 20 years of global expertise in tactical sourcing planning, project management, market analysis, negotiation management and strategic sourcing. She has previously worked in business development and project management at Capgemini and SKF. Christel has been named "Sweden's best negotiator" by the industry organisation SILF. Independence in relation to the Company and major shareholders.



## **Lars-Ola Lundkvist – Board member since 2022**

Lars-Ola Lundkvist is an international business leader with a focus on technology companies. Current and previous board and management assignments include Lagercrantz Group, Kraftpojkarna AB, Deva Group, Beijer Electronics Group, Automation Region and ABB. Independence in relation to the Company and major shareholders.



## **Mikael Nicander – Board member since 2023**

Mikael Nicander has over 25 years of experience in building and managing property groups. He is Deputy CEO of Stenhus Fastigheter and was previously CEO of Stendörren Fastigheter (publ). Previous positions include managerial positions at Kvalitena, Lantmännen Fastigheter, P10 Vasallen and DHL Express. Independence in relation to the Company and major shareholders.

