

Annual Report 2020

Advanced Soltech Sweden AB (publ), company number 559056-8878



Advanced Soltech Sweden AB (publ) ("ASAB") in brief

Advanced Soltech Sweden AB's, company number 559056-8878, market is in China and then primarily the country's eastern regions, which are also the most industrialized. Since the start in 2014, when the first two plants were installed, ASAB has as of 31 December 2020 installed a large number of solar energy plants with a total power of a total of 176.6 MW.

There are strong and fundamental driving forces behind ASAB's focus on the Chinese market. Most importantly, China has a growth rate that, although dampened by the corona pandemic in 2020, will remain high, both economically and industrially in the foreseeable future, the need for electricity. As a result of the demand for alternative energy sources grows rapidly. China's political leadership has also made decisions to decrease its dependence on coal, which today account for over 60 percent of electricity production. By 2030, a total production of 1,200 GWh of renewable electricity, which is a doubling of the production that China has today, and by 2060 the goal is that China will be completely climate neutral. An important part of the transition to climate neutrality, will be based on solar energy. The rapid growth and conversion to alternative energy sources gives ASAB, which has proven experience in identifying suitable solar energy projects, coupled with efficient installation methods, good opportunities for a continued profitable development. The risks that exist in the market are mainly associated with the fact that the infrastructure, including electricity production, is strongly regulated and dependent on permits and ultimately political decisions.

Another driving force will be environmental benefits. Through its operations, ASAB contributes to efficient climate change and major environmental benefits. Every kWh of solar energy produced by ASAB replaces and the corresponding energy mix based on coal, which gives approximately ten times higher emissions of greenhouse gases compared to Sweden. At the same time, the quantity of harmful particles in the air that are emitted from burning coal, decreases. These emissions are a serious health hazard in China today. In 2020 alone, 124.4 million kWh of ASAB's solar power plants will be produced, reducing China's CO₂-related emissions by about 77,000 tons. As a comparison, it is enough to provide 20,000 Swedish houses with electricity on an annual basis.

Customers

ASAB's customers are usually large companies with extensive properties with large free rooftop areas. They can be active in a range of different industries, from the manufacturing of vehicle components to brewing operations, or in public operations such as universities or the Beijing Opera. The reason why customers choose Advanced Soltech is that they get access to green electricity in an easy way and also at a lower price than when they buy from the grid.

The contracts that ASAB entered with customers before 2020 often have subsidies that remain throughout the contract period. After the expiration of the 20-year contract period, the customer can choose to extend the contract, terminate the contract and request removal, or to purchase the facility. If a property where the facility is erected, is sold, the customer must either buy the facility from ASAB or, after ASAB's approval, ensure that the new property owner takes over the contract. ASAB normally has a gross return on the projects in which the company invests of between 12 and 15 percent.

ASAB today has a well-diversified portfolio of customers in various industries, which reduces the general counterparty risk. The business is financed through loans, mainly bond issues, and equity from ASAB in Sweden. Through the financing, investors can take advantage of the strong growth in Chinese solar energy and at the same time contribute to sharply reduced carbon dioxide emissions.

2020 in brief

- In 2020, the company issued preference shares for the equivalent of SEK 157.5 million and received SEK 146.2 million net after deduction of issue costs. The purpose of the issue was to give Advanced Soltech increased opportunities to take advantage of the business opportunities in China.
- In June, Frederic Telander left his role as CEO and took over as acting Chairman of the Board.
- In June, Max Metelius left his role as CFO and took over as CEO.
- The company issued bonds of SEK 100 million under ASAB's existing green bond framework, to a group of investors in a "private placement". The offer was very well received and the issue was oversubscribed. The proceeds have been used to finance the Company's existing and growing order backlog in China.
- In 2020, the company installed a total of 37.4 MW of roof-based solar energy plants and at the end of the year had 176.6 MW installed and revenue-generating capacity. During the year, 124.4 million kWh were produced, which reduced China's CO₂-related emissions by approximately 77,000 tons.
- At the end of 2020, the company had 38 MW in signed orders, including projects under construction of 2.6 MW.
- Advanced Soltech was awarded the prize in China as "Top 10 Industrial and Commercial Distributed Solar Power Station Builders in 2020". The award is presented by The International Energy Web, an interest group with over 500,000 members.

2020 in numbers

- Revenues for 2020 amounted to SEK 138.8 (105.0) million, an increase of 32 percent compared with 2019.

- Operating profit for 2020 amounted to SEK 76.2 (60.8) million, an increase of 25 percent compared with 2019. Profit for the year after financial items and tax amounted to SEK -97.0 (-14.0) million and is affected by a non-cash flow-affecting currency effect of SEK -41.3 (3.3) million. Adjusted for this item, profit for the year amounted to SEK -55.7 (-17.3) million.
- Total cash flow for the full year 2020 amounted to SEK 25.7 (20.2) million.

Comments from the CEO



I do not think that a year ago anyone could have imagined how a virus could change the entire world economy and affect us all in our everyday lives. Today we know better. For ASAB as a company, as for so many others, the pandemic has meant a tough ordeal, but after a challenging spring, when no one knew what would happen, we were back in full swing already at the end of May. Our growth plans have been delayed somewhat, mainly as a result of the financial market's reaction to the pandemic, and our revenues in 2020 were slightly lower than expected when the NDRC, which ultimately manages electricity prices in China, introduced a temporary price reduction of five percent during the year to stimulate the economy. Overall, however, we were able to handle the consequences well.

The effects of the pandemic were very limited and we delivered continued growth, albeit at a slightly slower pace than we had originally hoped for. At the same time, we experienced a growing interest in our offer, something that was also seen in the form of a strong inflow of orders during the second half of the year. In the last quarter of 2020 alone, about ten agreements were signed. These include Zhe SenKai New Material Co. Ltd. who signed an agreement for a plant of eight MW, which gives us an annual expected income of SEK 5.4 million. Our efficient installation process and our ability to choose the right project help us to achieve a good return at project level even without subsidies. Our goal is to reach 1,000 MW of installed capacity adjusted slightly, but we expect to reach this goal before the end of 2024.

Revenues for the full year amounted to SEK 138.8 million and taking into account the NDRC's price adjustment, it was in line with our expectations. The result for the year was charged with unrealized, but not cash flow-affecting, currency effects totaling SEK -41.3 million. Our currency exposure is significant and we are evaluating methods for how we can handle it more efficiently in the future.

Since I took over as CEO, I have been asked why we have chosen China as our market. My answer is that China has a complex relationship with many other countries, politically as well as economically, but also that the country is a huge market for a company like Advanced Soltech. China is striving to reduce its dependence on coal based power, the energy source that today accounts for over 60 percent of electricity production in China, and by 2030, the country will install facilities for a total production of 1,200 GWh of renewable electricity. In September 2020, China's leader Xi Jinping also announced that the country will be CO₂-neutral by 2060, which is a huge challenge. In connection with the next five-year plan, a new plan for renewable energy production will be presented. Our assessment is that it will be aggressive when it comes to investments in solar energy. And even if economic growth in China in 2021 is lower than the seven or eight percent we saw in 2019, it is still high. All in all, this means that Advanced Soltech is currently in the right place, at the right time and with the right product. A gratifying proof of this is that in November we received an award from The International Energy Web as "Top 10 Industrial and Commercial Distributed Solar Power Station Builders in 2020" for our efforts in China

In order to meet the increased demand for sustainable investments, we continue our transition from a start-up company to growth company. It is about building a structural capital, both in the form of organization, systems and routines. We have strengthened our organization in Sweden with our new CFO, Lars Höst and our General Counsel Cecilia Xia. In China, Steven Yang is now in charge of accounting, which means that Gang Bao, CEO of our Chinese operations, can focus even more on business development. We also work to simplify and automate our internal processes, for example through the introduction of common ERP and invoicing systems. During the autumn, we also carried out two new share issues, which together gave us a capital injection of SEK 146.2 million after deduction of issue costs. These are funds invested in new solar energy plants in the Chinese market. It is of course gratifying that there is such great interest in investing in Advanced Soltech and thus in sustainable energy production. The supply of capital has been a bottleneck and our largest cost item is interest and financial costs. Getting better terms for our financing and improving our capital structure is therefore the most important reason why we strive for a listing of Advanced Soltech on the Nasdaq First North Growth Market.

We are now entering a new and hopefully more stable year, where we can even further strengthen our market presence. Together with my employees, I look forward to being part of that journey. I would like to extend a warm thank you to them and to partners, customers, and owners for all the good efforts made during the past year.

Max Metelius
CEO

BOARD OF DIRECTORS 'REPORT

The Board of Directors and the CEO of Advanced Soltech Sweden AB (publ) may hereby submit an annual report for the financial year 2020.

Information about the business

Advanced Soltech Sweden AB (publ), through its wholly owned subsidiaries in China, offers Chinese customers electricity from solar energy plants placed on the roofs of customers' properties. ASAB's offer means that the company invests in, owns and operates the solar energy plant, for the customer who is buying the electricity that the plant produces at a pre-agreed price during a contract period of 20 years. The electricity that the customer does not buy is sold to the electricity grid.

The group consists of the Swedish parent company Advanced Soltech Sweden AB (publ) and the wholly owned subsidiaries:

- Advanced SolTech Renewable Energy (Hangzhou) Co., Ltd
- Longrui Solar Energy (Suqian) Co., Ltd
- ST-Solar Holding AB (dormant)

The two Chinese subsidiaries are in their turn the parent companies of local Chinese companies, established in different regions of China.

The Group's operations for the full year 2020

- In 2020, the company installed a total of 37.4 MW of roof-based solar energy plants and had 176.6 MW installed and revenue-generating capacity at the end of the year. During the year, 124.4 million kWh were produced, which reduced China's CO₂-related emissions by approximately 77,000 tons.
- At the end of 2020, the company had 38 MW in signed orders, including projects under construction corresponding to 2.6 MW.
- Advanced Soltech was awarded the prize in China as "Top 10 Industrial and Commercial Distributed Solar Power Station Builders in 2020". The award is presented by The International Energy Web, an interest group with over 500,000 members.
- In the spring, ASAB decided to postpone the planned listing of the company's shares on the Nasdaq First North Growth Market, due to the uncertainty created in the financial market.
- The company directed an offer of up to SEK 100 million under ASAB's existing green bond framework of up to SEK 1,500 million, to a group of investors in a "private placement". The offer was very well received and the issue was oversubscribed.
- During the second half of 2020, the company issued preference shares for the equivalent of SEK 157.5 million and received SEK 146.2 million net after deduction of issue costs.
- In 2020, the effects of the Corona pandemic affected Advanced Soltech in two different ways. Firstly, due to deteriorating revenues through a general price reduction, that about 30 MW were shut down during the first and second quarters and that lower activity among customers caused lower electricity consumption, which led to a larger share of electricity being sold to the grid where ASAB is paid less. The second effect was poorer conditions in the capital markets, which through poorer borrowing conditions caused higher costs, but which are nevertheless difficult to estimate.

Revenues for the Group for the full year 2020

- The Group's net sales amounted to SEK 86.4 (60.5) million, which was an increase of 43%. Other operating income, which for the most part consists of grants from authorities, amounted to SEK 52.4 (44.5) million. The company has increased revenues for the year by 32% compared with the previous year despite the Corona pandemic. The company's assessment of the pandemic's impact is:
 - In 2020, revenues were negatively affected by the effects of the Corona pandemic through a general price reduction, that about 30 MW were shut down during the first and second quarters and that lower activity among customers caused lower electricity consumption, which led to a larger share of electricity being sold to the grid where ASAB is paid less. ASAB estimates the loss of revenue, including loss of earnings, for this at SEK 13.5 million for the full year.
 - In 2020, Zhejiang Province, where we have most of our projects installed, had solar radiation that was about 7% lower than the normal year, which has a negative effect on revenues to a corresponding degree.

Result for the Group for the full year 2020

- Operating profit (EBIT) amounted to SEK 76.2 (60.8) million.
- Operating expenses amounted to SEK 62.6 (44.2) million. Reasons for the cost increase are that
 - more solar panel plants have been put into operation and thus depreciation has increased by SEK 9.8 million
 - the company employs more people as the company expands, an increase of SEK 4.6 million.
- Result from financial items amounted to -163.1 (-78.7). The single largest item is the exchange rate loss, which increased by SEK 44.6 million. In addition, the company has raised more loans, which has thus increased the interest cost.
- Profit after tax amounted to SEK -97.0 (-14.0) million.

Cash flow for the Group for the full year 2020

- The Group's total cash flow amounted to SEK 25.7 (20.2) million.
- Current operations generated a cash flow of SEK -34.2 (44.7) million. Interest payments have increased by SEK 46.2 million.
- The investment business generated a cash flow of SEK -135.2 (-508.8) million, which for the most part consists of investment in new solar panel facilities.
- Financing operations generated a cash flow of SEK 195.1 (484.3) million, which consists of an issue of SEK 146.3 million, raising of a loan of SEK 86.4 million and repayment of a bank loan of SEK -37.5 million.

Financial position and liquidity for the Group at the end of the financial year

- Total assets amounted to SEK 1,257 (1,201) million.
- Tangible fixed assets amounted to SEK 979.9 (954.8) million, which for the most part consists of solar panel systems.
- Financial fixed assets amounted to SEK 96.1 (100.3) million, which primarily consists of VAT receivables.
- Cash and cash equivalents amounted to SEK 73.3 (49.9) million.
- Equity amounted to SEK 202.7 (174.9) million.
- Long-term liabilities amounted to SEK 944.9 (852.3) million, consisting of bond loans less capitalized borrowing costs, loans from the two main owners and a small external loan.
- Current liabilities amounted to SEK 101.6 (166.1) million, whose largest item is accounts payable.

Multi-year overview for the Group

Multi-year overview (SEK 000')	2020	2019
Total revenue	138,794	105,000
Net revenue share of total revenue	62%	58%
EBIT	79,179	60,849
EBIT%	57%	58%
EBITDA	115,251	90,158
EBITDA%	83%	86%
Interest expenses and similar charges (whereof Bond acquisition amortization)	123,637 22,945	83,103 12,926
	2020-12-31	2019-12-31
Interest-bearing debt	951,727	897,082
Equity ratio	16%	15%

Events after the end of the period

- Advanced Soltech has signed seven contracts amounting to a total installed capacity of 16.1 MW.
- Advanced Soltech has been awarded the prize in China as "The most influential solar investment company 2020". The motivation for the award is, among other things, "The innovative business model that does not take up valuable land and the high reliability and quality that Advanced Soltech delivers in its installations". Solar Energy Cup was launched as early as 2012 and is an authority in the Chinese solar energy industry.
- For more detailed information, see Note 23.

The parent company

- The parent company's net sales for the full year amounted to SEK 6.2 (27.7) million and consisted of service fees and re-invoiced borrowing costs to the two Chinese subsidiaries.
- Profit before tax amounted to SEK -49.1 (-4.7) million.
- Result from financial items amounted to SEK -40.6 (-0.9) million, where the large difference between the years consisted of unrealized exchange rate effects.

Multi-year overview (SEK 000')	2020	2019	2018	2017	2016
EBIT	-8,465	-4,775	443	-9,080	-373
	2020-12-31	2019-12-31	2018-12-31	2017-12-31	2016-12-31
Total assets	1,267,849	1,080,145	435,564	75,634	68,140
Equity ration	24%	19%	2%	7%	7%

OTHER INFORMATION FOR THE GROUP

Operational key performance measures

- Installed capacity at the end of the year amounted to 176.6 (139.2) MW
- Electricity produced for the year amounted to 124.4 (90.3) million kWh
- The average remaining contract period at the end of the year was 17.8 (18.3) years
- Agreements entered into, at the end of the year amounted to 38 (36) MW

Significant risks and uncertainties

Risk is defined as uncertainty, positive or negative, which can affect ASAB's goals and the ability to achieve the best possible results. The risks are divided into four categories:

- financial risks
- business and strategic risks
- country risk
- legal and regulatory risks.

Based on the type and characteristics of the risk, management is responsible for conducting risk analyzes and developing action plans and implementing these to reduce uncertainty where possible and optimize the financial effects. Policy and process for risk management as well as the most important overall risks must be reported in ASAB's annual report and short-term risks must be reported in the quarterly reports if necessary. Below are two areas that the company considers to be particularly critical of the business.

Depending on key personnel

ASAB is a relatively small company and is dependent on key personnel and key employees. If the company loses these personnel or employees or finds it difficult to attract equally qualified employees, this can affect the company's operations and ability to execute current and future strategies. It is crucial for the company's success to continue to be able to attract and retain qualified staff. This in turn depends on factors such as the company's business development, ability to create stimulating tasks, workload, incentive programs and competition for experienced employees. If one or more persons should leave or otherwise terminate their relationship with the Company or if any of these key persons significantly changes or reduces their roles within the Company, there is a risk that the Company will not be able to find qualified replacements or services that can contribute in good time. corresponding way to the Company's operations. This may delay and / or complicate the continued development of ASAB.

Changes in exchange rates

Concerns in the foreign exchange market involve currency risks as the Company operates in an international market. A weakening of the Swedish krona compared with the EUR, but perhaps above all with the Chinese currency, RMB (yuan), would mean increased costs and could affect the Company's earnings and financial position. The company has external loans in EUR but has an accounting currency in SEK, which can lead to accounting currency losses. The company has, together with an external party, worked to formulate a currency policy in order to handle currency fluctuations in the best and most cost-effective way.

Sustainability

Environmental responsibility

Advanced Soltech will offer environmentally friendly products and services that are produced with the least possible resource and energy consumption and with low environmental impact. All solar cells used by Advanced Soltech are collected for recycling when they are used up. Wise resource management is a key word within the company and great focus is placed on resource use, regardless of whether it concerns energy, premises, waste, travel or transport, and to reduce these based on reasonable efforts. Advanced Soltech works systematically and prevents pollution through a goal-oriented environmental work that is an integral part of the company's culture. Current environmental requirements together with environmental aspects and environmental goals form the basis for our work.

Social responsibility

Advanced Soltech shall safeguard the integrity of the company's stakeholders and partners and handle information so that it is protected and managed in a responsible manner. We have a clear focus on sustainability and we work to ensure that our partners are also expected to share our values and our code of conduct. Employees are one of the company's most important assets. It is through the employees' commitment, development and competence that we create a culture where we and our partners thrive. We strive for a work climate and a work environment that is the best possible for all employees. As an employer, we take our responsibility by offering each employee a developing and responsible job.

Other

Diversity enriches and we therefore work actively with diversity and gender equality issues. We support and follow the principles of the UN Global Compact initiative.

Staff

The number of employees at the end of the year was 14 (13), of which 11 (11) in China.

Owner

The company is 50.82 percent owned by Soltech Energy Sweden AB (publ) and 48.83 percent by Advanced Solar Power (Hangzhou) Inc. The remaining 0.35 percent shareholding consists of preference shareholders.

Corporate governance

Advanced Soltech Sweden AB (publ) is a Swedish public limited company. The company was formed in Sweden and was registered with the Swedish Companies Registration Office 2016-03-30 and has conducted operations since then. The Company complies with the rules of the Swedish Companies Act (2005: 551) and other applicable laws and regulations in Stockholm, Sweden, where the Company has its registered office.

The Company's operations are based on the Articles of Association. The object of the Company's operations is to finance the Group's solar energy facilities, but not such activities as are referred to in the Banking and Financing Operations Act and activities compatible therewith, as stated in §3 of the Articles of Association. The Articles of Association have been revised during the financial year, mainly §5 applicable share numbers, in order to be able to issue preference shares.

The Annual General Meeting approves the Articles of Association and annually appoints the Board. The Board is responsible for the Company's organization and administration and appoints or dismisses the President. The Board establishes annual written rules of procedure for its work, combined with a CEO instruction for the division of work between the Board and the CEO.

At an Extraordinary General Meeting on March 24, Vivianne Holm and Patrick de Muynck were elected as ordinary Board members. At the company's Annual General Meeting on June 24, Frederic Telander was elected Chairman of the Board. Max Metelius was elected CEO.

Issues relating to remuneration or auditing are decided directly by the Company's Board. All members of the Board are elected at the next Annual General Meeting. Each individual board member has the right to resign at any time.

In addition to the laws and regulations that regulate the company's operations in accordance with the above, the company applies Swedish and international accounting legislation that ensures that the financial reporting meets the requirements set.

Forward-looking statements

All forward-looking statements in this report are based on the company's best judgment at the time of the report. Such statements, like all future assessments, contain risks and uncertainties, which may mean that the actual outcome will be different. In addition to what is required by current legislation, forward-looking statements only apply on the day they are made and the company does not undertake to update these in the light of new information or future events. The company does not provide any forecasts.

Proposed distribution of profits for the parent company

At the disposal for the Annual General Meeting (SEK):

Retained earnings	2,826,244
Share premium fund	346,303,310
Result for the year	-48,594,605
Total	300,534,949

The Board of Directors proposes that the accumulated profit be treated as follows: Transferred to a new account of 300,534,949 SEK.

GROUP REPORTS
Income Statement

(SEK 000')	Not	200101 201231	190101 191231
Net revenue		86,401	60,477
Other operating income		52,393	44,523
Total revenue	1, 4	138,794	105,000
Operating expenses			
Other external expenses	5, 19	-13,761	-10,299
Personnel expenses	1, 3	-9,115	-4,543
Depreciation and amortization	1, 6	-39,072	-29,309
Other operating expenses		-667	0
Total operating expenses		-62,615	-44,151
Operating profit / EBIT		76,179	60,849
Result from financial items			
	1, 7		
Interest income and similar income items		1,839	1,156
Interest expenses and similar charges		-123,637	-83,103
Currency gains and losses		-41,340	3,277
Profit after financial items		-86,959	-17,820
Tax	1, 8	-10,058	3,844
The result for the period		-97,017	-13,977
<i>Attributable to the parent company's owners</i>		-98,477	-15,269
<i>Minority interest</i>		1,460	1,293

GROUP REPORTS
Balance Sheet

(SEK 000')	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
Intangible fixed assets	1, 2, 9		
Other intangible assets		42,265	46,956
<i>Total intangible fixed assets</i>		42,265	46,956
Tangible fixed assets	1, 2, 10, 18		
Solar PV installations		918,209	901,850
Solar PV installations under construction		59,963	25,279
Other tangible assets		1,703	2,266
Prepayments of solar PV installations		0	25,396
<i>Total tangible fixed assets</i>		979,875	954,792
Financial assets			
Other long-term receivables	2, 11	88,271	90,991
Deferred tax assets	1, 2, 20	7,858	9,271
<i>Total financial fixed assets</i>		96,129	100,263
Total fixed assets		1,118,269	1,102,010
Current assets			
Short-term receivables			
Accounts receivables	2	23,537	22,613
Other receivables		16,790	18,513
Prepaid expenses and accrued income	12	25,128	7,813
<i>Total current receivables</i>		65,455	48,938
Cash and bank balances			
Cash and bank balances	13	73,325	49,850
<i>Total cash and bank balances</i>		73,325	49,850
Total current assets		138,780	98,788
TOTAL ASSETS		1,257,049	1,200,798

GROUP REPORTS
Balance Sheet, continued

(SEK 000')	Note	2020-12-31	2019-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	21	4,316	500
Additional paid in capital		331,950	189,492
Retained earnings including profit/loss for the period		-133,589	-15,111
<i>Equity related to:</i>			
<i>Owners of the parent company</i>		195,632	168,848
<i>Minority interest in equity</i>		7,045	6,033
Total equity		202,677	174,881
Provisions			
Deferred tax liability	1, 2, 20	7,853	7,482
Total provisions		7,853	7,482
Non-current liabilities			
Other non-current liabilities	15	34,886	36,448
Liabilities to group companies	15	27,323	27,603
Bond loan	15, 16	882,699	788,262
Total non-current liabilities		944,908	852,313
Current liabilities			
Liabilities to credit institutions		0	37,332
Accounts payable		56,600	101,947
Tax liabilities		9,116	2,039
Other current liabilities		8,547	921
Accrued expenses and prepaid income	14	27,348	23,883
Total current liabilities		101,611	166,122
TOTAL EQUITY AND LIABILITIES		1,257,049	1,200,798

GROUP REPORTS
Changes in equity
2020-01-01 – 2020-12-31

(SEK 000')	Share capital	Other contributed equity	Accumulated exchange rate difference	Retained earnings including result for the period	Total	Minority interest	Total equity
At the beginning of the period	500	189,492	5,366	-26,509	168,849	6,032	174,881
Result for the period	0	0	0	-98,478	-98,478	1,460	-97,018
Exchange rate difference	0	0	-21,013	0	-21,013	-447	-21,460
New share issue	3,816	154,075	0	0	157,891	0	157,891
Cost for new share issue	0	-11,617	0	0	-11,617	0	-11,617
At the end of the period	4,316	331,950	-15,647	-124,987	195,632	7,045	202,677

2019-01-01 – 2019-12-31

(SEK 000')	Share capital	Other contributed equity	Accumulated exchange rate difference	Retained earnings including result for the period	Total	Minority interest	Total equity
At the beginning of the period	500	189,492	3,399	-10,927	182,464	4,679	187,143
Result for the period	0	0	0	-15,269	-15,269	1,292	-13,977
Exchange rate difference	0	0	1,967	-313	1,654	61	1,715
At the end of the period	500	189,492	5,366	-26,509	168,849	6,032	174,881

Statement of cash flow

	Note	200101 201231	190101 191231
Cash flows from operating activities			
Operating profit		76,179	60,849
Depreciation and amortization		39,072	29,309
Other non-cash items	17	-4,019	-6,280
		111,232	83,878
Interest received		1,839	1,156
Interest paid		-108,816	-62,584
Income tax paid		-614	6,381
		-107,591	-55,047
Change in accounts receivables		-2,418	-15,785
Change in other short-term receivables		-16,841	-7,144
Change in accounts payables		-29,810	41,909
Change in other current liabilities		11,192	-3,072
Cash flow from working capital		-37,877	15,908
Cash flow from operating activities		-34,236	44,739
Cash flows from investing activities			
Investments in tangible fixed assets		-136,306	-433,095
Investments in intangible fixed assets		0	-47,209
Investments in other financial assets		1,107	-28,473
Net cash used in investing activities		-135,199	-508,777
Cash flows from financing activities			
Share issue		157,891	0
Share issue cost		-11,617	0
Net proceeds from new loans		86,368	552,100
Repayment of loans		-37,526	-67,847
Cash flow from financing activities		195,116	484,253
Cash flow for the period		25,681	20,215
Translation difference in cash and cash equivalents		-2,206	-307
Cash and cash equivalents, beginning of period		49,850	29,942
<i>Cash and cash equivalents, end of period</i>		<i>73,325</i>	<i>49,850</i>

PARENT COMPANY'S REPORTS
Income Statement

(SEK 000')	Note	200101 201231	190101 191231
Revenue			
Net revenue		6,235	27,656
Other operating income		284	0
Total revenue	1, 4	6,519	27,656
Operating expenses			
Other external expenses	5, 19	-8,380	-29,661
Personnel expenses	1, 3	-5,938	-2,770
Depreciation and amortization	1, 6	-1	0
Other operating expenses		-665	0
Total operating expenses		-14,984	-32,431
Operating profit / EBIT		-8,465	-4,775
Result from financial items			
	1, 7		
Interest income and similar income items		72,957	54,273
Interest expenses and similar charges		-94,209	-63,101
Currency gains and losses		-19,352	7,945
Profit after financial items		-49,069	-5,658
Year-end appropriations		0	1,000
Profit before tax		-49,069	-4,658
Tax	1, 8	474	-202
Result for the period		-48,595	-4,860

PARENT COMPANY'S REPORTS
Balance Sheet

(SEK 000')	Note	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
Tangible fixed assets			
Equipment, tools and installations	1, 2, 10, 18	22	0
Total tangible fixed assets		22	0
Financial assets			
Shares in group companies	2, 11	461,922	388,097
Receivables from group companies	1, 2, 20	726,365	655,987
Total financial fixed assets		1,188,287	1,044,084
Total fixed assets		1,188,309	1,044,084
Current assets			
Receivables			
Receivables from group companies		34,610	7,890
Tax receivable		66	0
Other receivables		399	4,766
Prepaid expenses and accrued income	12	5,956	231
Total current receivables		41,031	12,887
Cash and bank balances			
Cash and bank balances	13	38,509	23,174
Total cash and bank balances		38,509	23,174
Total current assets		79,540	36,061
TOTAL ASSETS		1,267,849	1,080,145
	Note	2020-12-31	2019-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	21	4,316	500
Additional paid in capital		346,301	203,845
Retained earnings		2,829	7,689
Profit (loss) for the year		-48,595	-4,860
Total equity		304,851	207,174
Long-term liabilities			
Liabilities to group companies	15	27,323	27,603
Bond loan	15, 16	908,887	821,452
Total long-term liabilities		936,210	849,055
Current liabilities			
Accounts payable		620	0
Tax liabilities		0	501
Other current liabilities		570	171
Accrued expenses and prepaid income	14	25,598	23,244
Total current liabilities		26,788	23,916
TOTAL EQUITY AND LIABILITIES		1,267,849	1,080,145

PARENT COMPANY'S REPORTS
Changes in equity

(SEK 000')

	Share capital	Retained earnings	Unregistered new share issue	Share premium fund	Result for the period	Total equity
200101-201231						
Opening balance	500	7,689	0	203,845	-4,860	207,174
Disposition of results	0	-4,860	0	0	4,860	0
Rights issue	3,816	0	0	154,073	0	157,889
Issue cost	0	0	0	-11,617	0	-11,617
Result for the period	0	0	0	0	-48,595	-48,595
Closing balance	4,316	2,829	0	346,301	-48,595	304,851

	Share capital	Retained earnings	Unregistered new share issue	Share premium fund	Result for the period	Total equity
190101-191231						
Opening balance	500	4,706	0	0	2,984	8,190
Disposition of results	0	2,984	0	0	-2,984	0
Rights issue	0	0	203,844	0	0	203,844
Result for the period	0	0	0	0	-4,860	-4,860
Closing balance	500	7,690	203,844	0	-4,860	207,174

Note 1. Accounting and valuation principles

General accounting principles

The annual report and group accounting have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements ("K3"). The Financial Statements are stated in thousands of kronor (kSEK) unless otherwise stated. Rounding errors may occur. The parent company's accounting currency is Swedish kronor, which also constitutes the accounting currency for the group.

Assets are divided into current assets and fixed assets. An asset is considered a current asset if it is expected to be realized within twelve months from the balance sheet date or within the company's business cycle. With business cycle refers to the time from the start of production until the company receives payment for delivered services or goods. The group's business cycle is estimated to be less than one year. If an asset does not meet the requirement for a current asset it is classified as a fixed asset. Offsetting of receivables and liabilities has not been made.

Liabilities are divided into current and non-current liabilities. Liabilities that are due within twelve months from the balance sheet date are reported as current liabilities. Everything else constitutes long-term liabilities.

The ASAB group

Advanced Soltech Sweden AB (publ) ("ASAB") was formed on March 30, 2016 as a partly owned subsidiary of SolTech Energy Sweden AB and has historically been owned 51 percent by SolTech Energy Sweden AB and 49 percent by the company Advanced Solar Power Ltd ("ASP") through a Hong Kong-based subsidiary. ASAB's operations have historically consisted of issuing green bonds in Sweden to finance solar energy plants in China, which are administered by the China-based company Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd ("ASRE"), which was historically owned 51 percent by SolTech Energy Sweden AB through a Dutch subsidiary and 49 percent by ASP.

SolTech Energy Sweden AB and the China-based company Advanced Solar Power Ltd's respective decision to withdraw from it jointly owned and controlled group of companies distinguish a group with Advanced Soltech Sweden AB (publ) as parent company. This was done by ASAB acquiring the remaining shares of up to 100 percent on September 29, 2019 in the sister company ASRE from the previous shareholders, through which ASAB became the new parent company in the ASAB Group. In addition to this, the Chinese ownership in ASAB will be transferred to direct ownership by Advanced Solar Power Ltd, without an intermediate Hong Kong-based company as it has historically done. Transferred remuneration for the shares in ASRE consists of promissory notes settled with shares in ASAB and does not change the ownership of ASAB between SolTech Energy Sweden AB and Advanced Solar Power Ltd.

The same decisive influence ("Common control")

The annual report has been prepared based on the previously reported values from the group taken over by ASAB. A prerequisite for preparing the financial reports is that both ASAB and ASRE have historically been within so-called Common control. Companies in the ASAB group, which are included in the annual report, are all under the same controlling influence as the companies have either been directly or indirectly wholly owned by the owners and under the same controlling influence. Thus, the restructuring is a reorganization under the same controlling influence, which is why the annual report has been prepared as if the owners had made a joint establishment of ASAB.

Until 31 December 2019, ASAB has historically not prepared consolidated accounts, but this has been handled by SolTech Energy Sweden AB. The annual report has been compiled based on the previously reported values for the group taken over by ASAB.

Consolidated financial statements

The Annual report cover the parent company ASAB and the companies over which the parent company directly or indirectly has a controlling influence. Controlling influence means a right to decide on another company's financial and operational strategies in order to obtain economic benefits. In assessing whether a controlling influence exists, consideration shall be given to holdings of financial instruments with potential voting rights and which can be, without delay, utilised or converted into financial instruments with voting rights. Consideration shall also be taken of whether the company through an agent has the possibility to control the business.

Controlling influence normally exists when the parent company directly or indirectly holds shares that represent more than 50 percent of the votes. A subsidiary's income and expenses are included in the consolidated financial statements from the time of the acquisition of the controlling influence until the time when the parent company no longer has a controlling influence over the subsidiary.

All intra-group transactions, balances and unrealised gains and losses attributable to intra-group transactions have been eliminated in the preparation of the Annual report. The Group's earnings and components in equity are attributable to the parent company's owners and minority interests. Minority interests are reported separately in equity in the consolidated balance sheet and in direct connection with the item "Profit for the year" in the consolidated income statement. If consolidated equity regarding the subsidiary is negative, the minority interest in the subsidiary is reported as a claim on the minority, a negative item within equity, only if the minority has a binding obligation to cover the capital deficit and is able to fulfill the obligation.

The parent company's accounting and valuation principles

The Parent Company's and the Group's accounting principles are consistent with the exception of the reporting of untaxed reserves and year-end appropriations.

Business acquisitions

Business acquisitions are reported in accordance with acquisition accounting. The purchase price for the business is measured at fair value at the time of acquisition, which is calculated as the total of the fair values at the time of acquisition for paid assets, incurred or assumed liabilities and issued equity instruments and expenses that are directly attributable to the business acquisition. An example of expenses is transaction costs. The purchase price includes a contingent purchase price, provided that at the time of the acquisition, it is probable that the purchase price will be adjusted at a later date and that the amount can be estimated in a reliable manner. The acquisition value of the acquired unit is adjusted on the balance sheet date and when the final purchase price is determined, however not later than one year after the acquisition date.

The combined financial statements have been prepared in accordance with acquisition accounting. The time of acquisition is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair values at the time of acquisition. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value, including the value of the minority interest, and is initially valued at acquisition value. When acquiring less than all shares in the acquired entity, the value of the minority's share is added to the acquisition value. At the time of acquisition, goodwill is reported at acquisition value and after the first accounting after the acquisition, it is valued as acquisition value after deductions for depreciation and any write-downs.

Other intangible assets refer to acquired customer contact. These intangible assets are amortized in accordance with the remaining maturity of the underlying contract.

Foreign currency

Receivables and liabilities in foreign currency are translated into Swedish kronor at the exchange rate on the balance sheet date. Income and expenses in a foreign operation are translated into Swedish kronor at an average exchange rate that approximates the exchange rates at the time of the respective transaction. Exchange rate differences that arise from currency translation of foreign operations are reported as equity. Gains and losses on receivables and liabilities of an operating nature are reported net among other operating income or other operating expenses. Gains and losses on receivables and liabilities of a financial nature are reported under "Profit from financial investments" as exchange rate differences. Currency hedging has not been applied.

Income*Sale of solar energy*

Revenues from solar energy are calculated on the basis of produced watts and are reported after deductions for VAT and any discounts.

Grants and subsidies

ASRE receives various forms of grants from Chinese authorities, so-called subsidies (state, regional and local subsidies), from the production of electricity. Grants are received per watt produced and are reported as income of the period in which the production of electricity takes place. This income is reported as other operating income, which also includes other items.

Remuneration to employees

Short-term remuneration in the group consists of salary, social security contributions, paid vacation, paid sick leave, medical care and, where applicable, bonuses. Short-term remuneration is reported as an expense and a liability when there is a legal or informal obligation to pay such remuneration.

In ASAB, there are individual, defined contribution pension payments. In defined contribution plans, the company pays fixed fees to another company and has no legal or informal obligation to pay anything additional after termination of employment. The group's earnings are charged for costs as the employees' pensionable services are performed. There is no pension plan in the Chinese operation.

Income tax*Current tax*

Current tax is calculated on the taxable income for the period. Taxable income differs from what is reported as result in the income statement as it has been adjusted for non-taxable income and non-deductible expenses and for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated according to the tax rates that apply as of the balance sheet date. The state income tax for Swedish legal persons who are their own tax subjects regarding income tax is 21.4 percent, for 2019 and 2020, of the taxable profit before tax. For 2018, the income tax was 22.0 percent. For legal entities in China, the corresponding tax rate is 25.0 percent, however, with the following reductions of the tax rate:

- 100 percent reduction during the company's first three financial years,
- 50 percent reduction during the company's next three financial years.

Deferred tax

Deferred tax is reported in liabilities in the Financial Statements and the tax value used in calculating taxable income. Deferred tax is reported according to the so-called balance sheet method. Deferred tax liabilities are reported for essentially all taxable temporary differences, and deferred tax liabilities are reported in principle for all deductible temporary differences to the extent that it is probable that the amounts can be utilized against future taxable surpluses.

Intangible fixed assets

Intangible fixed assets are reported at acquisition value less accumulated depreciation and any amortization. Amortization is made on a straight-line basis over the estimated useful life. Other intangible assets refer to acquired customer contracts. These intangible assets are amortized in accordance with the remaining maturity of the underlying contract. Amortization of intangible assets is reported in the consolidated income statement within the item "Depreciation and amortization".

The following amortization period is applied:

- Customer contracts 20 years

Tangible fixed assets

Tangible fixed assets are reported at acquisition value reduced with accumulated depreciation and write-downs. The acquisition value consists of the purchase price, expenses that are directly attributable to the acquisition to bring it into place and in condition to be used, as well as estimated expenses for dismantling and removal of the asset and restoration of the place where it is located. Additional expenses are only included in the asset or are reported as a separate asset, when it is probable that future economic benefits associated with the item will accrue to the Group and that the acquisition value for it can be measured reliably. All other costs for repairs and maintenance as well as additional expenses are reported in the income statement in the period in which they arise.

The following depreciation periods are applied:

- Motor vehicles 4–5 years
- Solar PV installations 20–25 years
- Other fixed assets 3–5 years

Financial fixed assets

Financial fixed assets consist of shares in subsidiaries, VAT receivables in the Chinese operation and deferred tax assets.

- Shares in subsidiaries are reported at acquisition value after deductions for any amortization. The acquisition value includes the purchase price paid for the shares as well as acquisition costs and estimated, not determined additional purchase price.
- The Chinese companies have a VAT receivable, which has mostly arisen when investment in solar panels has been made during the installation of each customer project. This VAT receivable is settled on an ongoing basis as the Company offsets the VAT receivable against outgoing VAT incurred when invoicing electricity to the customer.
- Deferred tax assets are calculated annually and consist for the most part of loss carried forward in the Chinese operation.

Financial instruments

Financial instruments are reported in accordance with the rules in K3, Chapter 11, which means that valuation takes place in accordance with the acquisition value. Financial instruments reported in the balance sheet include securities, accounts receivable and other receivables, accounts payable and liabilities. The instruments are reported in the balance sheet when ASAB becomes a party to the instrument's contractual terms.

Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or transferred and the group has transferred virtually all risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise ceased. Costs for raising bond debt is accrued over the term of the loan.

Leasing

A financial leasing agreement is an agreement according to which the financial risks and benefits associated with the ownership of an asset are essentially transferred from the lessor to the lessee. Other leasing agreements are classified as operating leasing agreements. Leasing fees for operational leasing agreements are expensed on a straight-line basis over the leasing period, unless another systematic way better reflects the user's financial benefit over time.

Cash flow analysis

The cash flow analysis is prepared according to an indirect method. The reported cash flow only includes transactions such as entailed inflows or outflows. In addition to cash, the company classifies available balances with banks and other credit institutions as cash and cash equivalents.

Provisions

Provisions are reported when the group has an existing obligation (legal or informal) as a result of an event that has occurred, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. A provision is reviewed each balance sheet date and adjusted to reflect the best estimate of the amount required to settle the existing obligation on the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the payments that are expected to be required to settle the obligation, the carrying amount corresponds to the present value of these payments.

Definitions of key performance measures***Operating profit (EBIT)***

Earnings before interest and taxes. The measure is used since it provides an overview of the profitability of the operations.

EBIT margin

Earnings before interest and taxes as a percentage of total revenue. The measure is used since it shows operational profitability over time.

EBITDA

Earnings before depreciation and amortization, financial items, and taxes. The measure is used since it provides an overview of the profitability of the operations before depreciation and amortization.

EBITDA margin

EBITDA as a percentage of total revenue. The measure is used since it shows operational profitability over time, regardless of financing, depreciation and amortization.

Net revenue share of total revenue, %

Net revenue as a share of total revenue. The measure is used since it helps to assess ASAB's reliance on electricity sales in relation to other operating income, notably subsidies.

Interest-bearing debt

The sum of current and non-current portion of bond debt, liabilities to credit institutions, liabilities to Group companies and other non-current interest-bearing debts. The measure is used since it shows ASAB's gross interest-bearing indebtedness.

Equity ratio

Equity divided by total assets. The measure is used since it helps to assess ASAB's financial stability.

Interest expense

Interest expense and similar charges less amortization of capitalized borrowing costs, taxes relating to intra-group interest payments and withholding tax on interest payments from China. The measure is used since it enables assessment of whether ASAB can fulfil the commitments under its debt agreements.

Installed capacity, MW

Maximum amount of electric energy output that all operational solar PV plants in ASAB's portfolio can produce, expressed in megawatts. The measure is used since it helps to assess ASAB's earnings capacity.

Electricity produced, kWh millions

Electric energy generated by all operational solar PV plants in ASAB's portfolio and sold to customers over the period, expressed in millions of kilowatt hours. The measure is used because it allows for comparison of sold volumes over time, as ASAB's customers are invoiced per kWh of electricity used.

Signed agreements, MW

Planned installed capacity of all signed contracts in ASAB's project pipeline. The measure is used since it helps to assess ASAB's future earnings capacity and required investments from its near-term project pipeline.

Average remaining contract length, years

Average remaining contract length for Rooftop Agreements across all of ASAB's installed solar PV installations. The measure is used since it helps assess the remaining contract value in ASAB's portfolio of solar PV installations.

Note 2. Estimates and assessments

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under current circumstances. The estimates for accounting purposes that result from these, will by definition rarely correspond to the actual result. The estimates and assumptions that entail a significant risk of significant adjustments in the reported values of assets and liabilities in the coming years are dealt with in outline below.

Intangible fixed assets

The Group reports intangible assets that consist of customer contracts in the Group's operation in China. An examination of whether there is a need for impairment is made when there is an indication. If such an indication exists and the decline is assessed to be permanent, the need for impairment is determined after calculation of the asset's recoverable amount, which consists of the higher of the value in use and fair value. Impairment is made if the recoverable amount is less than the carrying amount. The value in use is calculated as the present value of future payments that the Company is expected to take advantage of by using the asset. No impairment losses have been identified.

Tangible fixed assets

Solar power plants are reported at acquisition value reduced with accumulated depreciation and write-downs. The Company's applied depreciation period is based on the Company's assessment of the life of the products, and that the depreciation period correlates with the life of the customer contracts. An examination of whether there is a need for impairment is made when there is an indication. Impairment is reported in cases where the value of the facility exceeds the value of the existing underlying contract. No impairment losses have been identified.

Financial fixed assets

At each balance sheet date, the company assesses whether there is any indication of impairment in any of the group's financial fixed assets. If such an indication exists and the decline is assessed to be permanent, the need for impairment is determined after calculation of the asset's recoverable amount, which consists of the higher of the value in use and fair value. Impairment is made if the recoverable amount is less than the carrying amount. The value in use is calculated as the present value of future payments that the Company is expected to take advantage of by utilizing the asset.

Shares in subsidiaries

The group makes an annual forecast for future discounted cash flows regarding operations in China, in order to assess any need for impairment. No impairment requirements have been identified.

VAT Receivable

The Chinese companies have a VAT receivable, accounted to 104.1 MSEK at the end of the financial year, which has mostly arisen when investment in solar panels has been made when installing customer projects. In Chinese tax legislation, VAT surpluses from the Company are not paid out, but set-off can be made against outgoing VAT when invoicing electricity to the customer. There is no time limit regarding set-off of VAT. An examination of whether there is a need for impairment is made when there is an indication. No impairment losses have been identified.

Deferred tax*Deferred tax assets*

In the Chinese part of the business, there is a reported deferred tax asset regarding deficits and allowance for doubtful accounts receivable. Regarding the loss carried forward, this only applies to the Chinese subsidiaries and is expected to be utilized against accumulated profits over the next five years. Deficit deductions in China are forfeited five years after their occurrence. Regarding allowance for doubtful accounts receivable, the company estimates that these accounts receivable will be settled by customers within the next calendar year.

Deferred tax liability

In the Chinese part of the business, deferred tax liabilities are reported regarding tax overwriting of tangible fixed assets.

Accounts receivable

The Group has an accounts receivable, accounted to 23.5 MSEK at the end of the financial year, when selling electricity to Chinese customers. The Group makes an ongoing assessment of accounts receivable and this may result in a provision for bad debts. The Company's assessment is that the Company's customers are financially healthy and that payment of outstanding accounts receivable will take place, however with some delay due to external factors, such as Covid-19. At the end of the financial year, the provision for bad debts accounted to 0.5 MSEK.

Note 3. Employees**Remuneration to executive management**

Proposals for remuneration to the CEO and senior executives are submitted by the remuneration committee to the board, which is the decision-making body regarding remuneration and other terms of employment for the CEO.

Frederic Telander has been the CEO until 23 June 2020 and has received remuneration of kSEK 704 plus a variable part of kSEK 95. In addition to salary and, where applicable, variable salary, the CEO has received a pension provision of 30% of the fixed gross salary. Frederic Telander is not entitled to severance pay.

The CEO, Max Metelius, has been the CEO from 23 June 2020 and has received remuneration of kSEK 700 plus a variable part of kSEK 103. In addition to salary and, where applicable, variable salary, the CEO receives a pension provision of 30% of the fixed gross salary. Max Metelius has a notice period of 6 months in the event of termination by Max Metelius and 12 months in the event of termination by the company. Max Metelius is not entitled to severance pay.

The CFO, Lars Höst, has in 2020 received remuneration of kSEK 422 plus a variable part of kSEK 153. In addition to salary and, where applicable, variable salary, Lars Höst receives a pension provision of 20% of the fixed gross salary. The CFO has a notice period of 6 months in the event of termination by Lars Höst and 6 months in the event of termination by the company. Lars Höst is not entitled to severance pay.

Gang Bao, employed since 2015 as Head of Sales & Operations and since October 2020 as CEO of the Company's Chinese subsidiaries, has in 2020 received remuneration of kSEK 520 plus a variable part of kSEK 162. No pension is paid. Gang Bao has a notice period of 1 month in the event of termination by Gang Bao and 6 months in the event of termination by the company. Gang Bao is not entitled to severance pay.

Remuneration to the board of directors

The board's remuneration is resolved by the annual general meeting. Remuneration to the chairman of the board amounts to kSEK 300 per year and kSEK 150 for each of the other board members. A board member who has been paid by the company due to employment shall not, however, receive board remuneration, either in the parent company or another company within the Group.

Working chairman of the board, Frederic Telander received remuneration of kSEK 764 during the period in 2020 during which he was chairman, plus a variable part of kSEK 103. In addition to salary and, where applicable, variable salary, the chairman receives a pension provision of 30% of the fixed gross salary. Frederic Telander has a notice period of 6 months in the event of termination by Frederic Telander and 12 months in the event of termination by the company. Frederic Telander is not entitled to severance pay.

	Group		Parent company	
	2020	2019	2020	2019
Average number of employees				
Men	8	9	2	2
Women	5	4	0	0
	13	13	2	2
Average number of employees	2020	2019	2020	2019
China	11	11	0	0
Sweden	2	2	2	2
	13	13	2	2
Salaries, other benefits and social security contribution	2020	2019	2020	2019
Salaries and other remuneration	5,894	3,246	3,387	1,618
Social security contribution	2,487	1,287	2,330	1,152
<i>Social security contribution, whereof pensions costs</i>	<i>750</i>	<i>422</i>	<i>750</i>	<i>447</i>
	8,381	4,533	5,716	2,770

	2020		2019	
	Salaries and other remuneration	Pension costs	Salaries and other remuneration	Pension costs
<i>Remuneration to executive management - Group</i>				
Frederic Telander, chairman of the board	764	198	0	0
<i>Whereof variable remuneration</i>	<i>103</i>	<i>0</i>	<i>0</i>	<i>0</i>
Frederic Telander, CEO	704	183	1,213	390
<i>Whereof variable remuneration</i>	<i>95</i>	<i>0</i>	<i>0</i>	<i>0</i>
Max Metelius, CEO	700	204	0	0
<i>Whereof variable remuneration</i>	<i>103</i>	<i>0</i>	<i>0</i>	<i>0</i>
Patrick de Myunck, boardmember	103	0	0	0
Vivianne Holm, boardmember	103	0	0	0
Other executive management	1,902	165	945	32
<i>Whereof variable remuneration</i>	<i>410</i>	<i>0</i>	<i>0</i>	<i>0</i>
	4,986	750	2,158	422

	2020		2019	
	Salaries and other remuneration	Pension costs	Salaries and other remuneration	Pension costs
<i>Remuneration to executive management - Parent company</i>				
Frederic Telander, chairman of the board	764	198	0	0
<i>Whereof variable remuneration</i>	<i>103</i>	<i>0</i>	<i>0</i>	<i>0</i>
Frederic Telander, CEO	704	183	1,213	390
<i>Whereof variable remuneration</i>	<i>95</i>	<i>0</i>	<i>0</i>	<i>0</i>
Max Metelius, CEO	700	204	0	0
<i>Whereof variable remuneration</i>	<i>103</i>	<i>0</i>	<i>0</i>	<i>0</i>
Patrick de Myunck, boardmember	103	0	0	0
Vivianne Holm, boardmember	103	0	0	0
Other executive management	1,219	165	320	32
<i>Whereof variable remuneration</i>	<i>248</i>	<i>0</i>	<i>0</i>	<i>0</i>
	4,141	750	1,533	422

Variable remuneration for 2020 is calculated and accrued, but not definitively determined.

Note 4. Revenue distribution by business area and geographic markets

<i>Net revenue distributed by business area</i>	Group		Parent company	
	2020	2019	2020	2019
Solar energy products	86,401	60,477	0	0
Bond cost fee	0	0	5,484	26,170
Service fee	0	0	751	1,486
	86,401	60,477	6,235	27,656
<i>Net revenue distributed by geographic markets</i>				
China	86,401	60,477	6,235	27,656
Sweden	0	0	0	0
	86,401	60,477	6,235	27,656
<i>Other operating income</i>				
	2020	2019	2020	2019
Subsidies for green electricity	51,650	44,523	0	0
Investment contribution	131	0	0	0
Exchange rate gains	284	0	284	0
Other	328	0	0	0
	52,393	44,523	284	0

Other types of income: interest income is reported in accordance with the effective interest method.

Note 5. Remuneration to the auditors

	Group		Parent company	
	2020	2019	2020	2019
<i>PwC</i>				
Audit assignment	1,190	807	389	54
Audit activities in addition to audit assignment	334	521	334	521
Other assignments	1,247	439	1,243	439
<i>Total PwC</i>	2,771	1,767	1,966	1,014
<i>Zhonghui</i>				
Audit assignment	0	586	0	0
	2,771	2,353	1,966	1,014

Note 6. Depreciation and amortization

<i>Depreciation and amortization by asset class</i>	Group		Parent company	
	2020	2019	2020	2019
Other intangible fixed assets	2,006	1,921	0	0
Other tangible fixed assets	883	950	1	0
Solar PV installations	36,183	26,439	0	0
	39,073	29,309	1	0

Note 7. Result from financial investments

	Group		Parent company	
	2020	2019	2020	2019
Interest income	1,839	1,156	72,957	54,273
Currency gains	31,175	9,323	31,175	7,945
<i>Financial income</i>	33,014	10,479	104,132	62,218
Interest expenses	-85,656	-61,851	-82,105	-60,951
Amortize of capitalized borrowing expenses	-22,945	-12,926	-12,105	-2,150
Chinese tax and VAT	-15,036	-8,325	0	0
Currency losses	-72,515	-6,046	-50,527	0
<i>Financial expenses</i>	-196,152	-89,148	-144,737	-63,101
Total result from financial investments	-163,138	-78,669	-40,605	-883

Note 8. Tax on profit for the year

	Group		Parent company	
	2020	2019	2020	2019
Current tax	-8,274	-2,567	474	-204
Deferred tax	-1,784	6,411	0	0
	-10,058	3,844	474	0
	2020	2019	2020	2019
Earnings before tax	-86,959	-17,821	-49,068	-4,659
Tax calculated according to current tax rate	19,729	4,445	10,501	997
Tax effect of non-deductible expenses	-1,974	-2,741	-1,799	-1,678
Tax effect of non-taxable income	0	3,083	0	190
Tax attributable to previous years result	474	298	474	297
Non reported deferred tax	-24,446	-2,091	-8,701	-10
Effect of foreign tax rates	-3,841	850	0	0
Reported tax expense	-10,058	3,844	475	-204

For the Chinese operations, the tax is calculated at 25.0%. For the Swedish operations, the tax is calculated at 21.4%.

Note 9. Intangible fixed assets

	Group		Parent company	
	2020	2019	2020	2019
Other intangible assets				
Opening balance accumulated acquisitions	48,826	2,795	0	0
Conversion difference	-2,915	56	0	0
Increase through company acquisition	0	45,975	0	0
Reclassifications	0	0	0	0
<i>Closing balance accumulated acquisitions</i>	<i>45,911</i>	<i>48,826</i>	<i>0</i>	<i>0</i>
Opening balance accumulated amortization	-1,871	0	0	0
Conversion difference	231	50	0	0
Amortization for the period	-2,006	-1,921	0	0
<i>Closing balance accumulated amortization</i>	<i>-3,646</i>	<i>-1,871</i>	<i>0</i>	<i>0</i>
Closing balance	42,265	46,955	0	0

Note 10. Tangible fixed assets

	Group		Parent company	
	2020	2019	2020	2019
Other tangible assets				
Opening balance accumulated acquisitions	3,994	2,253	0	0
Conversion difference	-262	0	0	0
Investments for the period	427	1,445	23	0
Increase through company acquisition	0	296	0	0
Reclassifications	0	0	0	0
<i>Closing balance accumulated acquisitions</i>	<i>4,159</i>	<i>3,994</i>	<i>23</i>	<i>0</i>
Opening balance accumulated depreciation	-1,729	-620	0	0
Conversion difference	155	17	0	0
Amortization for the period	-882	-950	-1	0
Increase through company acquisition	0	-176	0	0
Reclassifications	0	1	0	0
<i>Closing balance accumulated depreciation</i>	<i>-2,456</i>	<i>-1,728</i>	<i>-1</i>	<i>0</i>
Closing balance	1,703	2,266	22	0
Solar PV installations				
Opening balance accumulated acquisitions	966,429	529,204	0	0
Conversion difference	-64,282	-724	0	0
Investments for the period	30,087	81,521	0	0
Increase through company acquisition	0	130,565	0	0
Reclassifications	80,730	225,862	0	0
<i>Closing balance accumulated acquisitions</i>	<i>1,012,964</i>	<i>966,428</i>	<i>0</i>	<i>0</i>
Opening balance accumulated depreciation	-64,578	-21,273	0	0
Conversion difference	6,005	720	0	0
Amortization for the period	-36,184	-26,438	0	0
Increase through company acquisition	0	-17,586	0	0
Reclassifications	0	-1	0	0
<i>Closing balance accumulated depreciation</i>	<i>-94,757</i>	<i>-64,578</i>	<i>0</i>	<i>0</i>
Closing balance	918,207	901,850	0	0
Solar PV installations under construction				
Opening balance accumulated acquisitions	25,279	36,865	0	0
Conversion difference	-3,830	1,079	0	0
Investments for the period	107,139	213,198	0	0
Reclassifications	-68,067	-225,863	0	0
<i>Closing balance accumulated acquisitions</i>	<i>60,521</i>	<i>25,279</i>	<i>0</i>	<i>0</i>
Opening balance accumulated write-downs	0	0	0	0
Conversion difference	35	0	0	0
Write-downs for the period	-591	0	0	0
<i>Closing balance accumulated depreciation</i>	<i>-556</i>	<i>0</i>	<i>0</i>	<i>0</i>
Closing balance	59,965	25,279	0	0
Prepayments of solar PV installations				
Opening balance accumulated acquisitions	25,396	2,142	0	0
Conversion difference	-7	-580	0	0
Investments for the period	0	23,834	0	0
Reclassifications	-25,389	0	0	0
<i>Closing balance accumulated acquisitions</i>	<i>0</i>	<i>25,396</i>	<i>0</i>	<i>0</i>
Closing balance	0	25,396	0	0
Total tangible fixed assets				
Opening balance accumulated acquisitions	1,021,098	570,464	0	0
Conversion difference	-68,381	-225	0	0
Investments for the period	137,653	319,998	23	0
Increase through company acquisition	0	130,861	0	0
Reclassifications	-12,726	-1	0	0
<i>Closing balance accumulated acquisitions</i>	<i>1,077,644</i>	<i>1,021,097</i>	<i>23</i>	<i>0</i>
Opening balance accumulated depreciation	-66,307	-21,893	0	0
Conversion difference	6,160	737	0	0
Amortization for the period	-37,066	-27,388	-1	0
Increase through company acquisition	0	-17,762	0	0
Reclassifications	0	0	0	0
<i>Closing balance accumulated depreciation</i>	<i>-97,213</i>	<i>-66,306</i>	<i>-1</i>	<i>0</i>
Opening balance accumulated write-downs	0	0	0	0
Conversion difference	35	0	0	0
Write-downs for the period	-591	0	0	0
<i>Closing balance accumulated write-downs</i>	<i>-556</i>	<i>0</i>	<i>0</i>	<i>0</i>
Closing balance	979,875	954,791	22	0

Note 11. Financial assets

Financial fixed assets in the Group mainly consist of VAT receivables in the Chinese operations.

	Parent company			
	2020	2019		
<i>Shares in subsidiaries</i>				
Opening balance accumulated acquisitions	388,097	54,142		
Acquisitions for the period	73,825	333,955		
Closing balance accumulated acquisitions	461,922	388,097		
<i>Closing balance</i>	461,922	388,097		
<i>Loans to group companies</i>				
Opening balance	655,987	353,425		
Change for the period	70,378	302,562		
Closing balance accumulated acquisitions	726,365	655,987		
<i>Closing balance</i>	726,365	655,987		
	Group		Parent company	
	2020	2019	2020	2019
<i>Receivables from associated companies</i>				
Opening balance accumulated acquisitions	4,316	4,316	0	0
Change for the period	-4,316	0	0	0
Closing balance accumulated acquisitions	0	4,316	0	0
<i>Closing balance</i>	0	4,316	0	0
<i>VAT receivables</i>				
Opening balance accumulated acquisitions	86,675	70,519	0	0
Conversion difference	-6,606	838	0	0
Change for the period	8,202	15,318	0	0
Closing balance accumulated acquisitions	88,271	86,675	0	0
<i>Closing balance</i>	88,271	86,675	0	0
<i>Other long-term receivables</i>				
Opening balance accumulated acquisitions	90,991	74,835	0	0
Conversion difference	-6,606	838	0	0
Change for the period	3,886	15,318	0	0
Closing balance accumulated acquisitions	88,271	90,991	0	0
<i>Closing balance</i>	88,271	90,991	0	0
	Group		Parent company	
	2020	2019	2020	2019
<i>Deferred tax assets</i>				
Opening balance accumulated acquisitions	9,271	2,779	0	0
Conversion difference	-499	-117	0	0
Change for the period	-914	6,609	0	0
Closing balance accumulated acquisitions	7,858	9,271	0	0
<i>Closing balance</i>	7,858	9,271	0	0

Specification of shares in group companies:

<u>Company</u>	<u>Company number</u>	<u>Location</u>	<u>Number of shares</u>	<u>Capital share</u>	<u>Vote share</u>
ST-Solar Holding AB	559228-9432	Stockholm	50,000	100%	100%
Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd.	91330100MA27W37JXD	Hangzhou	400,000,000	100%	100%
Hangzhou Chengrui Power Technology Co., Ltd.	91330110397206436M	HangZhou	125,000,000	100%	100%
Nanjing Haonan New Energy Engineering Co., Ltd.	91320117MA1NN6TQ9R	NanJing	30,000,000	100%	100%
Wenzhou Haorui Solar Energy Engineering Co., Ltd.	91330381MA285WTK0A	RuiAn	20,000,000	100%	100%
Taizhou Changrui New Energy Technology Co., Ltd.	91331001MA2DW43K0A	TaiZhou	10,000,000	100%	100%
Hangzhou Changxu New Energy Engineering Co., Ltd.	91330183MA2CGUAG5N	HangZhou	10,000,000	100%	100%
Suzhou Changhe New Energy Co., Ltd.	91341300MA2TD2CW1X	AnHui Suzhou	10,000,000	100%	100%
Suzhou Changyu New Energy Engineering Co., Ltd.	91320581MA1XKLQT8P	SuZhou	10,000,000	100%	100%
Jingjiang Haojing New Energy Engineering Co., Ltd.	91321282MA1X8EQ81A	JingJiang	10,000,000	100%	100%
Suqian Haoyang Solar Energy Engineering Co., Ltd.	91321393MA1TE0Q31R	SuQian	10,000,000	100%	100%
Ningbo Haowan New Energy Engineering Co., Ltd.	91330201MA2AFUL23A	NingBo	10,000,000	100%	100%
Nantong Haoru Solar Energy Engineering Co., Ltd.	91320682MA1T9K3R9R	RuBu	10,000,000	100%	100%
Shaoxing Haosheng New Energy Engineering Co., Ltd.	91330683MA29CAMG24	ShengZhou	10,000,000	100%	100%
Shanghai Haogu Solar Engineering Co., Ltd.	91310114MA1GTKM65C	ShangHai	10,000,000	100%	100%
Ningbo Haoci Solar Energy Engineering Co., Ltd.	91330282MA282LK383	CiXi	10,000,000	100%	100%
Ningbo Haofeng New Energy Engineering Co., Ltd.	91330283MA282LBX6Q	FengHua	10,000,000	100%	100%
Huzhou Haohan Solar Energy Engineering Co., Ltd.	91330521MA28CC495J	HuZhou	10,000,000	100%	100%
Shaoxing Haotian Solar Energy Engineering Co., Ltd.	91330604MA2886KH44	ShaoXing	10,000,000	100%	100%
Ningbo Haori New Energy Engineering Co., Ltd.	91330212MA281GDMXK	NingBo	10,000,000	100%	100%
Zhangjiagang Zhihe New Energy Co., Ltd.	91320582MA1UYRH893	ZhangJiaGang	5,000,000	100%	100%
Nantong Langsheng New Energy Co., Ltd.	91320600MA1NJY1P78	NanTong	5,000,000	100%	100%
Nanjing Yihui Energy Technology Co., Ltd.	91320117MA1UTL6BXR	NanJing	3,000,000	100%	100%
Shaoxing Shangyu Hongji New Energy Technology Co., Ltd.	91330604MA288M8H1Q	ShaoXing	1,000,000	100%	100%
Ningbo Haoyan New Energy Engineering Co., Ltd.	91330226MA2827CW6X	NingHai	1,000,000	100%	100%
Ningbo Haolong Solar Energy Engineering Co., Ltd.	91330206MA28166D48	MingBo	1,000,000	100%	100%
Huizhou Zhiyuan New Energy Co., Ltd.	91441322MA513D391X	BoLuo	500,000	100%	100%
Shanxi Haozhiyan Solar Power Engineering Co., Ltd.	91140522MA0K6WTL1Q	JinCheng	10,000,000	95%	95%
Shanghai Haofu New Energy Technology Co., Ltd.	91310115MA1H9K1X4W	ShangHai	10,000,000	70%	70%
Shaoxing Changjin Solar Technology Co., Ltd.	91330600MA2889GK1P	ShaoXing	10,000,000	70%	70%
Shaoxing Dongzhan New Energy Development Co., Ltd.	91330600MA288R6628	ShaoXing	5,000,000	70%	70%
Shaoxing Shundian New Energy Development Co., Ltd.	913306043440848182	ShaoXing	1,666,667	70%	70%
Shaoxing Xinkai photovoltaic power Co., Ltd	91330600MA2BDD1E8E	ShaoXing	1,000,000	100%	100%
Zhejiang Xinrui Power Sales Co., Ltd	91330205MA284DPW6R	NingBo	20,000,000	100%	100%
Shaoxing Huasheng new energy Co., Ltd	91330683MA2D68410B	ShaoXing	5,000,000	100%	100%
Huai'an Hongxing New Energy Engineering Co., Ltd	91320829MA1Y36NE2T	HuaiAn	1,000,000	100%	100%
Huai'an honghang New Energy Engineering Co., Ltd	91320829MA1Y3PKK5D	HuanAi	1,000,000	100%	100%
Shenzhen Fanzai Longrui Electric Power Co., Ltd	91440300MA5G9MYP09	ShenZhen	1,000,000	70%	70%
Shaoxing Shangyu Fuhong New Energy Technology Co., Ltd.	91330604MA288MHQ26	ShaoXing	1,000,000	100%	100%
Fuyang Guoning Photovoltaic Power Generation Co., Ltd	91341204MA2RCDD099	Fuyang	5,000,000	100%	100%
Fuyang Runquan Electricity Engineering Co., Ltd.	91341200MA2RCB991T	Fuyang	10,000,000	100%	100%
Longrui Solar Energy (Suqian) Co. Ltd	91321300MAIYCBR74G	SuQian	240,000,000	100%	100%
Hebei Haoji New Energy Technology Co., Ltd.	91130104MA0CL09MX5	ShiJiaZhuang	5,000,000	100%	100%
Shanxian hengneng photovoltaic power generation Co., Ltd	91371722MA3T1NCY1N	HeZe	15,000,000	100%	100%
Wuhu zhongxinhe New Energy Technology Co., Ltd.	91340222MA2W3HHN9B	WuHu	3,000,000	100%	100%
Tianchang Mingneng Photovoltaic Technology Co., Ltd.	91341181MA2RUC44XG	TianChang	25,000,000	100%	100%
Wuhu Longyan New Energy Co., Ltd.	91340208MA2WENFM4G	WuHu	5,000,000	100%	100%
Wuhu County Kaida Photovoltaic Power Co., Ltd.	91340221MA2UP3686R	WuHu	5,000,000	100%	100%
NanLing County JinKai Photovoltaic Power Co., Ltd.	91340223MA2UP4HL5M	WuHu	5,000,000	100%	100%
Jingdezhen Jinfei New Energy Co., Ltd.	91360206MA39BAT02M	Jingdezhen	10,000,000	100%	100%
Wuhu QingCheng New Energy Co., Ltd.	91340207MA2W79T90K	WuHu	5,000,000	100%	100%
Wuxi Kaiyang New Energy Co., Ltd.	91320205MA22EBG94K	Wuxi	30,000,000	100%	100%

Note 12. Prepaid expenses and accrued income

	Group		Parent company	
	2020	2019	2020	2019
Prepaid rents	1,041	0	48	0
Accrued interest income	0	0	0	0
Accrued subsidies income	15,669	7,582	0	0
Prepaid share issue cost	5,734	0	5,734	0
Other prepaid expenses	2,684	231	174	231
	25,128	7,813	5,956	231

Note 13. Cash and bank balance

	Group		Parent company	
	2020	2019	2020	2019
Cash and bank balances	73,325	49,850	38,509	23,174
<i>whereof blocked funds</i>	50	50	50	49
	73,325	49,850	38,509	23,174

Note 14. Accrued expenses and prepaid income

	Group		Parent company	
	2020	2019	2020	2019
Accrued salaries	1,286	424	549	0
Accrued holiday pay debt	404	167	404	167
Accrued social security contributions	739	110	739	110
Accrued interest	24,647	22,210	23,634	22,210
Other accrued expenses	272	973	272	758
	27,348	23,884	25,598	23,244

Note 15. Long-term liabilities

	Group		Parent company	
	2020	2019	2020	2019
Bond loan	941,600	848,980	941,600	848,980
Capitalized borrowing costs	-58,901	-60,719	-32,713	-27,528
Liability to group companies	27,323	27,603	27,323	27,603
Other long-term liabilities	34,886	36,448	0	0
	944,908	852,312	936,210	849,055

Specification of Bond loan as of 2020-12-31:

Bond loan	Currency	Principal		Booked value	Redemption day	Interest rate
		MEUR	MSEK			
SOLT2	SEK		127.7	127.7	2023-02-28	8.75%
SOLT3	SEK		148.3	148.3	2023-07-09	8.75%
SOLT4	SEK		70.4	70.4	2023-11-08	8.25%
SOLT5 (*)	EUR	27.3		274.4	2023-01-25	9.00%
SOLT5 (**)	SEK		320.8	320.8	2023-01-25	9.00%
				941.6		

Regarding SOLT5, the company has pledged assets, see Note 16.

(*) The interest rate is 9.00% plus EURIBOR 90 days (if EURIBOR is negative the interest rate will be 9.00%)

(**) The interest rate is 9.00% plus STIBOR 90 days (if STIBOR is negative the interest rate will be 9.00%)

Note 16. Pledged assets

In January 2019, ASAB issued its first institutional Green Bond, SOLT5. The proceeds from the bond issue have been used to finance solar panel facilities in China. SOLT5 was listed on the Nasdaq First North Sustainable Bond Market with a first trading day on March 21, 2019. The issuer must ensure that all downstream loans that ASAB provides to the Chinese subsidiaries must always be pledged with the issuer as the beneficiary:

- pledge of the solar panel facilities owned by the Chinese subsidiaries (or its relevant subsidiaries) which are then financed by the downstream loans, except for assets with minority interests;
- pledge by the Chinese subsidiaries (or its relevant subsidiaries) of receivables under the energy purchase agreements relating to the installation and operation of the solar power plants financed by the downstream loans, except such assets with minority interests.

	Group		Parent company	
	2020	2019	2020	2019
For own provisions and liabilities				
Pledged fixed assets and current assets	925,229	766,356	0	0
Loan receivable in subsidiaries	0	0	726,365	655,987
Pledged shares in subsidiaries	0	0	461,922	388,097
	925,229	766,356	1,188,287	1,044,084

Note 17. Adjustment items cash flow

	Group		Parent company	
	2020	2019	2020	2019
Unrealized exchange rate differences	-4,019	-6,280	0	0
	-4,019	-6,280	0	0

Note 18. Transactions with related parties

ASAB implemented a policy for related party transactions during the year, based on the Swedish Companies Act. The group has liabilities to its majority owners SolTech Energy Sweden AB (publ), of EUR 2,550,000, and Advanced Solar Power (Hangzhou) Inc, of CNY 18,661,650. The interest rate on the loans has been 9 percent up to and including the third quarter, 2020. During the current year, the interest rates were renegotiated to 3 percent, calculated retroactively from 1 January 2020. The following related party transactions, on a market basis, were made during the financial year.

The nature of the transaction	Motpart	Group		Parent company	
		2020	2019	2020	2019
Purchase of solar panels	Advanced Solar Power (Hangzhou) Inc.	177,623	362,110	0	0
Charged interest	Advanced Solar Power (Hangzhou) Inc.	1,449	1,158	0	0
Rental of office	Advanced Solar Power (Hangzhou) Inc.	182	179	0	0
Charged interest	SolTech Energy Sweden AB (publ)	781	1,331	781	997
		180,035	364,778	781	997

Note 19. Leasing agreement

In the consolidated accounts, the operational leasing essentially consists of a roof rent for some of the group's customer agreements. The term is designed with the same length as the customer agreement, 20 years.

	Group		Parent company	
	2020	2019	2020	2019
<i>Future minimum leasing agreements to be paid regarding non-cancellable terms</i>				
Due for payment within one year	3,668	2,035	861	80
Due for payment later than one year but within 3 years	6,820	7,250	1,407	140
Due for payment later than 3 years	41,593	28,952	0	0
	52,081	38,237	2,268	220
<i>Leasing agreements expensed during the period</i>	1,529	1,329	127	0

Note 20. Deferred tax

Temporary differences exist in cases where the reported or tax values of assets or liabilities are different. Temporary differences exist with respect to the following items have resulted in deferred tax assets or tax liabilities.

Deferred tax assets	Group		Parent company	
	2020	2019	2020	2019
Losses carried forward	3,624	9,142	0	0
Provision for bad debt	361	129	0	0
Other items *	3,872	0	0	0
Deferred tax assets, reported in the balance sheet	7,857	9,271	0	0

(*). Other items consists of unpaid interest, which is classified as non-deductible expense

Deferred tax liabilities, reported in the balance sheet	Group		Parent company	
	2020	2019	2020	2019
Untaxed reserves	0	0	0	0
Depreciation exceeding plan	1,936	696	0	0
Intangible fixed assets	5,917	6,787	0	0
Deferred tax liabilities, reported in the balance sheet	7,853	7,483	0	0

Note 21. The share

The total outstanding number of ASAB shares was 5,000 at the company's establishment. During the first quarter of 2020, a new issue of 38,000 new shares was completed, subscribed for pro rata by the then existing shareholders, Soltech Energy Sweden AB and Advanced Solar Power (Hangzhou) Inc., respectively. During the third quarter of 2020, a split of ASAB shares was made, 1/10, which meant that there were 430,000 ordinary shares at the end of the third quarter. Subsequently, 1,567 preference shares were issued, which will be converted into ordinary shares upon a listing. The total outstanding number of ASAB shares was 431,567 at the end of 2020.

The number of shares	2020	2019
At the beginning of the year	5,000	5,000
Share issues	39,567	-
Split	387,000	-
At the end of the year	431,567	5,000

Note 22. Proposed distribution of profits for the parent company

At the disposal for the Annual General Meeting (SEK):

Retained earnings	2,826,244
Share premium fund	346,303,310
Result for the year	-48,594,605
Total	300,534,949

The Board of Directors proposes that the accumulated profit be treated as follows: Transferred to a new account of 300,534,949 SEK.

Note 23. Events after the end of the period

- Advanced Soltech has signed the following contracts
 - ShenZhou ZheDong Agricultural Trade Development Co – 0.8 MW and annual expected revenue amounted to 0.6 MSEK
 - ZhangZhou ChuaHua Highway Port Logistics Co Ltd – 6.0 MW and annual expected revenue amounted to 3.1 MSEK
 - Wuhu Zhongji RuiJiang Automobile Co Ltd – 4.0 MW and annual expected revenue amounted to 3.0 MSEK
 - Nachi(JiangSu) Industrial Co – 2.5 MW and annual expected revenue amounted to 2.2 MSEK
 - AnHui ZhiYang Food Co. Ltd – 1.6 MW and annual expected revenue amounted to 1.3 MSEK
 - ZhangZhou LaiFu Furniture Co. Ltd och ZhangZhou YueYuan Food Co. Ltd – 0.8 MW respective 0.4 MW and annual expected revenue amounted to 1.0 MSEK
- ASAB has been awarded a prize in China as "The most influential solar investment company 2020". The motivation for the award is stated, among other things, "The innovative business model that does not take up valuable land and the high reliability and quality that ASAB delivers in its installations". Solar Energy Cup was launched as early as 2012 and is an authority in the Chinese solar energy industry.

The undersigned Board members and the CEO hereby declare that the annual accounts have been prepared in accordance with the Annual Accounts Act and good accounting practice, that current accounting standards have been applied and that the information provided is in accordance with actual circumstances.

Stockholm May 5th, 2021

Frederic Telander
Chairman of the Board

Stefan Ölander
Board member

Ben Wu
Board member

Gang Bao
Board member

Vivianne Holm
Board member

Patrick de Muynck
Board member

Max Metelius
CEO

Our auditor's report was issued on May 5, 2021.

Öhrlings PricewaterhouseCoopers AB

Claes Sjödin
Authorized Public Accountant