



Annual report

Solarus Renewables AB (publ).

Corporate id.: 559113-7913

Financial year: 2022-01-01 - 2022-12-31

The board and the Managing Director submit the following annual report.

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Unless otherwise indicated, all amounts are presented in whole Swedish kronor.

Company seat: Stockholm

Management report

Operations

Important conditions and significant events

The nature and direction of the business

Solarus Renewables AB (publ), hereinafter referred to as the Company, conducts research, development, industrial and product design of solar collectors with a focus on photovoltaic thermal PVT collectors for heat and electricity.

The company has also started trading in PVT collectors. The company also conducts investigations into solar-based energy systems, in particular investigations on the conditions for producing hydrogen using solar energy.

The company also have ownership with board representation in the two business-related companies Solarus Smart Holding BV in Rotterdam in the Netherlands and Solarus Sunpower Holding AB in Stockholm. During the end of the period, the Company acquired part of SolarPeak AB in Robertsfors where, according to the shareholder agreement, the Company will receive board representation in 2023. The Company is also working on establishing a subsidiary in Cyprus named Solarus Renewables Ltd. This is slightly delayed as a result of the work on the acquisition of and the coordination with SolarPeak AB.

Information about owners who have more than ten percent of the number of shares or votes in the company

Largest direct shareholders

Solarus Sunpower Holding AB 20,4%
 Dezet Participates en Management BV 17,3%
 Bionomit Public AB 13,0%
 Navimmo NV 12,6%
 G.H. Braakman 10,1%
 Etikininvest AB 9,0%

The largest owners including indirect ownership regarding equity, known by the Company

Solarus Sunpower Holding AB 23,6%
 Bionomit Public AB 21,6%
 Etikininvest AB 21,4%
 Dezet Participates en Management BV 21,4%

The largest owners including indirect ownership regarding voting, known by the Company

Dezet Participates en Management 20,9%
 Solarus Sunpower Holding AB 20,9%
 Bionomit Public AB 20,6%
 Etikininvest AB 19,3%

Significant changes in the ownership structure

The number of shareholders continues to increase and at the end of the period was 165 including interim shareholders and Solarus Sunpower Holding AB has gone from being the seventh largest owner before the latest new issue to the largest owner now.

Other important conditions and significant events

- In January, Martijn Wijnen was hired as financial officer.
- The company went public in the end of January and was given its current name Solarus Renewables AB (publ).
- In February, Jan Cedervall was hired as Managing Director, a role that Jan has held since July 2021, but the hiring meant that Jan increased his working hours.
- During the spring, the Company became part of several European research and development consortia.
- During the autumn, the Company made a new issue of SEK 5.55 million, which was oversubscribed by 21.8%
- Cypriot authorities approved the company name Solarus Renewables Ltd.
- In November, the Company entered into an agreement with Black River Corporate Finance to begin the journey towards a listing on an appropriate MTF-list. The company's goal is to get listed in Q1 2024. See <https://brcf.se/>
- In November and December, Alexander Loris and Magar Demeter were hired as researchers.
- In December, the Company and Solarus Sunpower Holding AB reached an agreement with Amrox Group AB to acquire 16% and 18% respectively of the PVT collector company SolarPeak AB in Robertsfors with a transferable option for the Company to acquire a further 41% from Amrox Group and all shares from Solarus Sunpower Holding AB.

During the year, Solarus Renewables has primarily invested in research and development for the production of the next generation of concentrating solar collectors. Solarus' current solar collectors are at the absolute forefront of what is available today, but if the Company is to continue to be a technological leader and build value for the future and the shareholders, the research investments the Company makes are necessary and it can already be established today, based on tests on prototypes that the next generation of concentrating solar collectors will provide significantly more energy per year than today's solar collectors do. The aim is also to be able to reach higher temperatures than today's stationary solar collectors reach.

PVT collectors can be divided into low-temperature collectors up to 40°C, medium-temperature collectors 40-60°C and high-temperature collectors above 60°C. Solarus' concentrating collectors belong to the high-temperature solar collectors, while the flat solar collectors sold by Solarus are most suitable in the medium temperature range.

With the acquisition of SolarPeak at the end of the year, Solarus covers all three temperature ranges. SolarPeak is developing low-temperature solar collectors with unique technology and initial simulations that are promising.

SolarPeak's solar collectors are based on technology that has been used successfully in other contexts but has never been adapted and used for solar energy. SolarPeak's solar collectors will, among other things, be suitable for use in combination with ground source heating and liquid-to-air heat pumps. SolarPeak will locate its manufacturing to Robertsfors, where the expansion of the Norrbottnia railway creates good communication conditions. This, in combination with access to clean and relatively cheap electricity for manufacturing, makes Robertsfors a suitable location.

Thermal energy makes up about half of the world's energy consumption and electricity about a fifth but is expected to increase to a quarter at the expense of mainly fossil fuels. IEA predicts a strong increase in solar heating for buildings, above all, hot water will be heated with solar energy instead of being heated with fossil fuels, which is common in many parts of the world today.

The company operates with leading technology in an important market segment, which is expected to grow strongly in the long term. The company is an important part of the necessary transition to a sustainable world.

The company, through directly or indirectly part-owned companies, has been involved in establishing sales not only on the three continents where the Solarus companies have their offices, i.e. Europe, America and Africa, but also in Asia. The various sales companies and their partners have so far sold the concentrating and flat solar collectors in nearly 40 countries. In 2022, the pipeline has grown in all sales companies. The investment in new and existing sales companies will continue to develop during 2023 and beyond.

During the period, the largest costs have consisted of external costs for research, personnel costs and PR and marketing costs in connection with the new issue.

Whether this PR and marketing should be seen as direct issue costs or as brand building is a matter of drawing the line. The company has chosen to see this as brand building and other costs in connection with the issue such as representation and administration, which means that all costs in connection with the new issue during the period are charged to the result. This may differ from how other companies have drawn the corresponding boundaries and may therefore possibly affect comparability, against other companies, but is consistent with how Solarus Renewables has drawn the boundary in previous years.

At the annual general meeting, Goran Lundgren, Catharina Nystedt Ringborg and Jan Lombach resigned as members of the board as part of implementing a reduction in the number of board assignments, while deputy board member Richard Golden was elected as a regular member.

During the period, the board has had 10 board meetings, one per capsulam, as well as a couple of formal working meetings.

- The treasury has increased from 0.2 to 1.4 million SEK.
- The equity has increased from 2.8 million to 6.9 million SEK.
- The company's long-term liabilities decreased during the period from SEK 3.1 million to SEK 0.4 million, which led to an increased equity ratio.
- The equity ratio has increased from 45.9% to 87.9% as a result of the new issue.
- Earnings per share including interim shares -0.21 SEK.

Other important conditions and significant events after the end of the period

- Martijn Wijnen has resigned as financial officer and the Company is looking for a new financial officer.

Own shares

The company has 394 own shares with a quota value of SEK 0.22, a total of SEK 86.68, corresponding to <0.13%0 of the share capital. The shares have been received through a dividend from Solarus Sunpower Holding AB to a value of SEK 351.31 for the shares.

Earnings and financial positions

	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Net sales (kr)	191 896			-2
Operating profit/loss (kr)	-987 924	-164501	-26 721	-23 536
Profit/loss after financial income and expense (kr)	-825 568	-169 936	-1 296 722	-23 536
Total assets (kr)	7 845 801	6 083 941	2 573 212	1 375 256
Equity ratio(%)	87,9	45,9	98,7	1,5
Average number of employees				

Key definitions

Equity ration is defined as adjusted equity divided by total capital.

Changes in equity

		New issue	Share premium	Current year profit/loss	Total	
Opening balance	675 840		2 672160	-388172	-169 936	2 789 892
Warrants				-60 480		-60480
To be carried forward			-2 672160	2 502 224	169 936	0
Shareholders contribution				1 239 880		1239 880
Repayment of shareholders contributions				-1780000		-1780000
New share issue		202 950	5 332 050			5 535000
Transfer of own shares				-351		-351
Profit/loss for the year					-825 568	-825 568
Closing balance	675840	202 950	5 332050	1513101	-825 568	6898 373

Proposed appropriation of earnings

The following earnings are at the disposal of the annual general meeting SEK:

Non-restricted share premium fund	5 332 050
Accumulated profit/loss	1 513101
Profit/loss for the year	-825 568
Total	6 019 583

The board proposes that the unappropriated funds are appropriated as follows SEK:

Proposed dividend

Repayment of conditional shareholder contribution	696 600
Total dividend	696 600
To be carried forward	5 322 983
Total	6 019 583

Income statement

	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<i>Operating income</i>			
Net sales		191 896	
Other operating income		1 047	
Total operating income		192 943	0
<i>Operating expenses</i>			
Raw materials and consumables		-151 893	
Other external costs		-690 357	-163 506
Personnel costs	2	-393 673	-995
Depreciation and write-downs of tangible and intangible assets		-26 480	
Total operating expenses		-1262403	-164 501
Operating profit/loss		-1069460	-164 501
<i>Financial income and expenses</i>			
Result from other securities and receivables which are fixed assets	3	243 263	
Other interest income and similar profit/loss items	4	630	-5 435
Interest expense and similar profit/loss items		-1	
Total financial income and expenses		243 892	-5 435
Profit/loss after financial income and expense		-825 568	-169 936
Profit/loss before tax		-825 568	-169 936
Profit/loss for the year	5	-825 568	-169 936

Balance sheet

	Note	2022-12-31	2021-12-31
ASSETS	1		
Fixed assets			
<i>Intangible assets</i>			
Goodwill	6	238 320	35 000
Total intangible assets		238 320	35 000
<i>Financial assets</i>			
Other securities held as fixed assets	7	2 879 724	916 545
Other long-term receivables	8	3 137 105	4 853 371
Total financial assets		6 016 829	5 769 916
Total fixed assets		6 255 149	5 804 916
Current assets			
<i>Current receivables</i>			
Other receivables		218 674	37 149
Total current receivables		218 674	37 149
<i>Cash and bank</i>			
Cash and bank		1 371 978	241 876
Total cash and bank		1 371 978	241 876
Total current assets		1 590 652	279 025
TOTAL ASSETS		7 845 801	6 083 941

Balance sheet

	Note	2022-12-31	2021-12-31
EQUITY AND LIABILITIES	1		
Equity			
<i>Restricted equity</i>			
Share capital		675 840	675 840
Non-registered share capital		202 950	
Total restricted equity		878 790	675 840
<i>Non-restricted equity</i>			
Non-restricted share premium fund		5 332 050	2 672 160
Accumulated profit/loss	9	1513101	-388 172
Profit/loss for the year		-825 568	-169 936
Total non-restricted equity		6 019 583	2114052
Total equity		6 898 373	2 789 892
Long-term liabilities			
Other liabilities		438 820	3 124 732
Total long-term liabilities		438 820	3124 732
Current liabilities			
Accounts payable		366 251	105 626
Liabilities to other companies with ownership interests		0	37100
Other liabilities		137 357	21 591
Accrued expenses and deferred income		5 000	5 000
Total current liabilities		508 608	169 317
TOTAL EQUITY AND LIABILITIES		7 845 801	6083 941

Cash flow statement

	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Operating activities			
Operating profit/loss		-1 069 460	-164 501
Adjustment for items that are not included in the cash flow	10	26 480	-5 435
Interest received		630	
Interest payed		-1	
Cash flow from operating activities before changes in working capital		-1042351	-169 936
<i>Cash flow from changes in working capital</i>			
Changes in operating receivables		-181 525	-36 379
Changes in operating liabilities		339 291	135 390
Cash flow from operating activities		-884 585	-70 925
Investment activities			
Provided capital injections			-18
Acquisition of intangible fixed assets		-45 000	-35 000
Acquisition offinancial fixed assets		-4 001	-368
Cash flow from investing activities		-49 001	-35 386
Financing activities			
New share issue		1 369 200	198 500
Contributions received		543 000	815 545
Borrowings		396 488	
Debt repayment			-138 500
Net acquisition of own warrants		-245 000	-455 000
Off-setable long term liabilities			-1 716 265
Cash flow from financing activities		2063 688	-1295720
Current year's cash flow		1130 102	-1402031
Cash and cash equivalents at the beginning of the year		241 876	1643 907
Cash and cash equivalents at the end of the year		1 371 978	241 876

Noteer

Note 1. Accounting and valuation principles

Accounting and valuation principles

The annual report is in accordance with legislation and Bokforingsnamndens general advices, BNFAR 2012:3 (K3)

Information for the first time K3 is applied

BNFAR 2012:3 (K3) is applied for the first time since the Company became public 2022.

This does not mean a significant change in the accounting principles, rather 2022 is essentially comparable to 2021.

Revenue

Revenue is booked as actual value of obtained means.

Employee benefits

Compensation to employees refers to all forms of compensation that the company provides to the employees. The benefits consist of salaries, travel allowances, social security contributions and health activity allowance.

Taxes

Tax on the year's profit/loss in the income statement consists of current tax. Current tax is income tax on the taxable result for the current financial year and the part of the previous financial year's income tax that has not yet been reported.

- Applied depreciation periods:

Goodwill	10 years
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Financial instruments

Financial instruments are recorded at acquisition value. Write-downs on individual instruments are made if the decrease in value is deemed to be permanent and, in addition, the aggregate of financial instruments no longer corresponds to book value and if both the total decrease in value for the aggregate and the decrease in value for the individual financial instrument most affected is at least SEK 25,000. Other write-offs can be made, in exceptional cases. According to the Company's assessment, the write-down method is not compatible with appreciations, which are hence not applied.

Note 2. Personnel

Average number of employees	2022-12-31	2021-12-31
	1	0

Specification of salaries

	2022-12-31	2021-12-31
Jan Cedervall, Managing Director		
Salary including tax, social costs and allowances	349 037	995
Other employees		
Salary including tax and social costs	44 636	

Note 3. Result from other securities and receivables which are fixed assets excluding write-downs

	2022-12-	2021-12-31
Interest income relating to companies other than group companies	169 582	
Exchange rate differences	73 681	
Total	243 263	0

The interest and rate differences are on loans off-set to shares in Solarus Smart Holding BV. The shares are not realized and not liquid, hence this are unrealized incomes.

Note 4. Other interest income and similar profit/loss items excluding write-downs

	2022-12-31	2021-12-31
Interest income relating to companies other than group companies	630	
Exchange rate differences		-5 435
Total	630	-5 435

Note 5. Other information to the income statement

Tax on profit for the year 0 SEK

Note 6. Goodwill

	2022-12-31	2021-12-31
Accumulated acquisition cost opening balance	35 000	35 000
Business acquisition	229 800	
Accumulated acquisition cost closing balance	264 800	35 000
Current year depreciation	-26 480	
Accumulated depreciation closing balance	-26 480	0
Book value	238 320	35 000

Intellectual property rights to architectural and industrial form and design of photovoltaic thermal solar collector SEK 72,000. Acquisition of the business branch of developing of the next generation of concentrating photovoltaic thermal solar collectors SEK 166,320.

Note 7. Other securities held as fixed assets

	2022-12-31	2021-12-31
Accumulated acquisition cost opening balance	916 545	759
Purchases	1 963 530	915 786
Reclassifications	-351	
Accumulated acquisition cost closing balance	2 879 724	916 545
Book value	2 879 724	916 545

Note 8. Other long-term receivables

	2022-12-31	2021-12-31
Accumulated acquisition cost opening balance	4 853 371	927 774
Additional receivables		4 840 998
Settled receivables	-1 716 266	-915 401
Accumulated acquisition cost closing balance	3 137 105	4 853 371
Book value	3 137 105	4 853 371

Note 9. Conditional Shareholders Contribution

SEK 696,653.66 of a total of SEK 725,924.59 in shareholder contributions is conditional, while SEK 29,270.93 is unconditional shareholder contribution.

Note 10. Adjustment for items that are not included in cash flow, etc.

	2022-12-31	2021-12-31
Depreciation and write-downs	26 480	
Rate differences		-5 435
Total	26 480	-5 435