

# Company Description

Listing of ES Energy Save Holding AB on  
Nasdaq First North Growth Market | 2023

Swedish energy technology – Accessible globally



CERTIFIED ADVISOR  
**REDEYE**  
NORDIC GROWTH

Legal advisor



# About the Company Description

In this Company Description (**“the Company Description”**), **“the Company”** or **“Energy Save”** refers to ES Energy Save Holding AB (publ), corporate registration number 559117-1292.

The Company Description can be accessed at the Company’s website, [www.energysave.se](http://www.energysave.se), and at the website of Redeye AB (**“Redeye”**), [www.redeye.se](http://www.redeye.se).

The Company Description has been compiled by the Company in view of the Company’s listing on the Nasdaq First North Growth Market (**“Nasdaq First North”**) and has been reviewed by Nasdaq Stockholm AB. This Company Description does not constitute an offer to the general public to subscribe for or otherwise acquire Energy Save securities. The Company Description does not constitute a prospectus and so has not been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (**“the Prospectus Regulation”**). Hence this Company Description has not been reviewed, approved by or registered with the Swedish Financial Supervisory Authority in accordance with the provisions set out in the Prospectus Regulation.

In some jurisdictions, distribution of the Company Description is subject to legal and regulatory restrictions. No action has been or will be taken to authorise the distribution of the Company Description to the general public in any jurisdiction other than Sweden. In particular, the Company Description is not aimed at any person resident in the US, Canada, Australia, New Zealand, Hong Kong, Japan, Switzerland, South Korea, South Africa, Russia, Belarus or any other jurisdiction in which participation would require a further company description, registrations or measures other than those required by Swedish law, or if any exemption is applicable. Hence the Company Description and other documents in respect of the listing may not be distributed in or to the said countries or any other country or any other jurisdiction where such distribution would require such measures or would otherwise contravene applicable rules. Acquisition of shares in

Energy Save in violation of the above restrictions may be invalid. Individuals who receive a copy of this Company Description are required by the Company to familiarise themselves with any such restrictions, and to observe them. The Company accepts no legal liability for any breach of any such restriction by any person, regardless of whether the breach is committed by a potential investor or any other party. Individuals who receive this Company Description must familiarise themselves with and observe any such restrictions. Actions that contravene such restrictions may constitute a breach of applicable securities legislation.

The shares in the Company have not been and will not be registered under the US Securities Act of 1933, as amended (**“the Securities Act”**), or the securities legislation of any state or jurisdiction of the US and may not be offered, sold or otherwise transferred, directly or indirectly, in or to the US except pursuant to an applicable exemption from, or through a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities legislation of the relevant state or other jurisdiction of the US.

The Company Description is governed solely by Swedish law. Disputes arising from the content of this Company Description or related legal matters shall be settled by a Swedish court.

Investors must rely on their own assessment of Energy Save when making investment decisions, including the facts and risks involved. Potential investors should seek their own professional advice before making an investment decision and evaluate and consider the investment decision carefully. Investors may rely solely on the information in the Company Description and any supplements to the Company Description. No person has been authorised to provide any information or make any representations other than those included in the Company Description and, if given or made, such information or representations must not be regarded as having been approved by Energy Save, and the Company accepts no liability for any such information or representations.

## Important information about the Nasdaq First North Growth Market

The Nasdaq First North Growth Market is a registered growth market for small and medium-sized enterprises in accordance with Directive 2014/65/EU on Markets in Financial Instruments, as implemented in the national legislation of Denmark, Finland and Sweden, and is operated by a stock exchange within the Nasdaq Group. Issuers on the Nasdaq First North Growth Market are not subject to the same rules as issuers on regulated markets, as defined in EU legislation and implemented in national legislation. Instead, they are

subject to less extensive rules tailored to smaller growth companies. Therefore, the risks attributable to an investment in an issuer on the Nasdaq First North Growth Market may be higher than in the case of an investment in an issuer on the regulated market. All issuers whose shares are admitted to trading on the Nasdaq First North Growth Market have a Certified Advisor who monitors compliance with the rules. The relevant stock exchange within the Nasdaq Group approves the application for admission to trading.

### **Forward-looking information**

This Company Description includes some forward-looking statements reflecting the Company's current views in respect of future events and financial and operating performance. Such forward-looking statements incorporate both known and unknown risks and circumstances that are beyond the control of the Company. It is possible that future events referred to in the Company Description will not occur, given the risks, uncertainties and assumptions incorporated in forward-looking statements. Forward-looking statements are all statements in the Company Description that are not attributable to historical or current facts or circumstances and statements that are attributable to the future. Forward-looking statements are provided in a number of sections in the Company Description and can be identified on account of the use of terms and expressions such as "could", "may", "should", "expected", "estimated", "likely", "projected", "plans to", "seeks to" or variations of such terms or similar terms that are intended to identify a statement as forward-looking.

The section entitled "Risk factors" include a description of some – but not all – factors that could result in the Company's future performance and evolution differing materially from the factors indicated or implied in any forward-looking statement. The forward-looking statements are applicable only as at the date of the Company Description, and the Company thereafter assumes no liability to publish updated forward-looking statements or other information in the Company Description that is based on new information, future events, etc. beyond what is required by law and the regulatory framework of the marketplace.

### **Third-party information**

The Company Description includes third-party information. The Company confirms that third-party information in the Company Description has been reproduced accurately and that no facts have been omitted that would render the information reproduced inaccurate or misleading, as far as the Company is aware and is able to ascertain from information published by the third parties in question. However, the information has not been verified independently by Energy Save, which is why it is not possible to guarantee its accuracy and completeness. Statements in the Company Description are based on the Company's assessment, the Company's own metrics and analysis of a number of different sources, unless stated otherwise.

### **Presentation of financial information**

All financial amounts are stated in Swedish kronor ("SEK") unless stated otherwise. "SEKt" refers to SEK thousands and "SEKm" refers to SEK millions. Some of the financial and other information presented in the Company Description has been rounded up or down to make the information readily accessible to readers, and hence tables and graphs do not always add up. No information in the Company Description has been reviewed or revised by the Company's auditor unless expressly stated otherwise.

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## **Board of Directors' responsibilities**

The Energy Save Board of Directors declares that the information included in the Company Description is accurate to the best of its knowledge and that the Company Description, to the best of its knowledge, omits no information that could distort the image that is intended to be presented by the Company Description, and that all relevant information included in the minutes of Board meetings, auditor's reports and other internal documents is included in the Company Description.

Alingsås, 4 October 2023

**ES Energy Save Holding AB**

Board of Directors

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# Facts on listing

## Facts

<b>Ticker</b>	ESGR B
<b>ISIN code of class B shares</b>	SE0014428447
<b>Number of shares</b>	6,539,161, of which 1,348,640 are class A shares and 5,190,521 are class B shares
<b>Last day of trading on the Spotlight Stock Market</b>	5 October 2023
<b>First day of trading on the Nasdaq First North Growth Market</b>	6 October 2023

No actions by current shareholders are needed in connection with the listing on the Nasdaq First North Growth Market.

## Financial calendar

<b>Interim report May–October 2023</b>	15 December 2023
<b>Annual General Meeting</b>	August 2024

## Certified Advisor and legal advisor

Energy Save has appointed Redeye AB as its Certified Advisor in respect of the listing on the Nasdaq First North Growth Market and thereafter on an ongoing basis. MAQs Advokatbyrå AB is the legal advisor for the Company in connection with the listing.

# Summary

This summary should be regarded as an introduction to the Company Description, and any decisions made to invest in the securities should be based on a study by the investor of the Company Description in its entirety. Investors may lose some or all of the capital invested.

## About Energy Save

ES Energy Save Holding AB, corporate registration no 559117-1292, LEI code 549300YHQ6UVH52KSF46, has its registered office in the county of Västra Götaland, Sweden. The Company is a Swedish public limited liability company, incorporated in Sweden under Swedish law. The Company's mode of operation is regulated by the Swedish Companies Act (2005:551).

Energy Save supplies products and services based on smart, cost-effective air-to-water heat pump systems for the construction and property sector.

## Working capital

In the opinion of Energy Save, the existing working capital of around SEK 103 million is enough to meet the Company's needs for 12 months as of the first day of trading on the Nasdaq First North. Working capital refers to the Company's access to cash and cash equivalents in order to fulfil its payment obligations as they fall due for payment and does not include acquisitions or other expansion investments as these are intended to be funded by means of shares, cash, loans or a combination of the same.

## Information on the securities

The Company has two share classes. There are 6,539,161 shares in the Company (of which 1,348,640 are class A shares and 5,190,521 are class B shares) with a quotient value of around SEK 2.50. The ISIN code of the class B share is SE0014428447. All outstanding shares are fully paid up and freely transferable. The shares are denominated in Swedish kronor (SEK).

Energy Save shares have been issued in accordance with the Swedish Companies Act (2005:551); and the rights associated with shares issued by the Company, including the rights arising from the Articles of Association, may be amended only in accordance with the procedures laid down in this Act.

Every shareholder entitled to a vote may vote at a general meeting of shareholders in favour of the full number of shares held and represented by this person. Class A shares carry ten (10) votes per share, while class B shares carry one (1) vote per share. All shares carry equal rights to the Company's profits and any surplus on liquidation. Energy Save is a growth company where the profits generated are planned to be allocated to the development of the business. Hence the Company has no dividend policy at the present time.

## Key risks

There is a risk of delay to Energy Save's strategic investments made in line with the sustainable energy transition in Europe. The energy transition itself may also be delayed, which could delay the Company's commercialisation and expansion going forward. There is also a risk that the strategic investments made by the Company will not help to increase sales or promote further commercialisation. There is a risk that investing in heat pump installation will not be economically viable if the opportunity cost of heat pumps remains high and no government subsidies are awarded. Any impairment of sales, delayed commercialisation or commercialisation that comes to a standstill could have an adverse impact on the Company's operations, financial position and performance.

The construction sector is relatively conservative, which may result in a slow transition to green electricity and the use of heat pumps in new construction projects, as well as during the construction process. That is why there is a risk of delay to the Company's commercialisation on account of this conservative approach.

Energy Save outsources its production to Zhongshan Amitime Electric Co., Ltd., its Chinese partner. Production in China involves a risk of production quality, volume and delivery times failing to fulfil the requirements of the Company or the market. The Company may incur higher costs if production quality fails to fulfil the requirements of the Company and the market, and there is a risk of impact on the Company's reputation. There is also a risk that failure to fulfil requirements in respect of volumes and delivery times or failure to deliver may result in deferred or cancelled sales. This is why delayed deliveries or failure to deliver could have an adverse impact on the Company's operations, financial position and performance.

The Company's sector is constantly evolving at a rapid pace. There is a risk of the Company's products failing to be developed as effectively as its competitors' products. There is also a risk of new technology superseding the Company's technology, or a risk of Energy Save being unable to develop its own products as new technology is introduced.

There is a risk of the Company failing to generate sufficient funds for shorter or longer periods that will allow it to fund future investments and/or continuation of its operations. Hence there is a risk of Energy Save having insufficient working capital to

meet the Company's needs, and as a result the Company may be forced to seek future external funding so as to be able to continue operating at the growth and development rate planned by the Company. There are no guarantees that Energy Save will be capable of obtaining the funding required, or that any such funding will be available on terms that are favourable to the Company and existing shareholders. There is a risk of Energy Save having to postpone, scale back or terminate projects or parts of its operations if it fails to obtain additional funding at specific times as required.

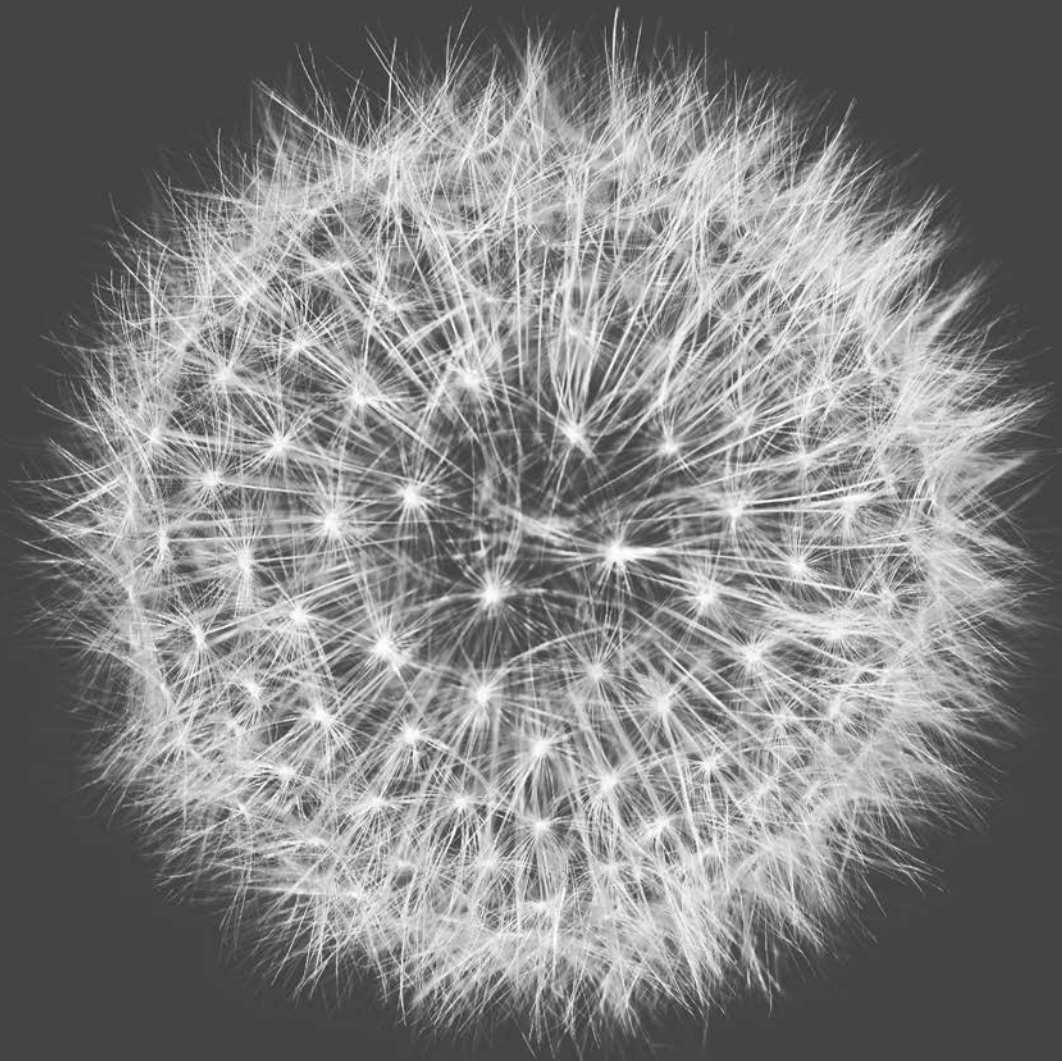
Existing and prospective investors in Energy Save should note that there is risk inherent in investing in the Company, and

that predicting positive share price performance is impossible. Investors are at risk of losing some or all of the capital invested in Energy Save.

**Information about listing on the Nasdaq First North**

On 21 September 2023, Nasdaq Stockholm AB has concluded that the Company fulfils the listing requirements for the Nasdaq First North Growth Market.

The last day of trading on the Spotlight Stock Market is 5 October 2023. The first day of trading on the Nasdaq First North is 6 October 2023. The Company's class B shares will be traded under the ticker ESGR B.



# Risk factors

Investing in Energy Save class B shares involves a variety of risks. The risk factors specified below are limited to risks that Energy Save deems to be material and specific to the Company and its securities, and that Energy Save deems to be essential to allow an informed investment decision to be made.

The assessment of the materiality of the risk factors specified has been graded on a qualitative scale (low, medium or high) and has been based on the Company's assessment of the likelihood of their occurrence and the scope of their impact in the event that they materialise.

The risk factors are set out in a limited number of categories, specifying the most significant risk factors (in the company's opinion) first within each category. This is why the risk factors set out below are not an exhaustive list of all the risks that may impact any investment decision in the Company. The risk factors set out below are based on information available as at the date of the Company Description.

## Risks related to operations and the sector

### Commercial risks

There is a risk of delay to Energy Save's strategic investments made in line with the sustainable energy transition in Europe. The energy transition itself may also be delayed, which could delay the Company's commercialisation and expansion going forward. There is also a risk that the strategic investments made by the Company will not help to increase sales or promote further commercialisation if the sustainable energy transition is delayed or comes to a standstill. The opportunity cost of heat pumps is currently higher than for other heating solutions, and so the growth of Energy Save in the European market is reliant on government subsidies for heat pumps.

There is a risk that investing in heat pump installation will not be economically viable if the opportunity cost of heat pumps remains high and no government subsidies are awarded. Any impairment of sales, delayed commercialisation or commercialisation that comes to a standstill could have an adverse impact on the Company's operations, financial position and performance.

The construction sector is relatively conservative, which may result in a slow transition to green electricity and the use of heat pumps in new construction projects, as well as during the construction process. That is why there is a risk of delay to the Company's commercialisation on account of this conservative approach.

The Company is of the opinion that the level of risk indicated above is medium.

### Production

Energy Save outsources its production to Zhongshan Amitime Electric Co., Ltd., its Chinese partner. Production in China involves a risk of production quality, volume and delivery times failing to fulfil the requirements of the Company or the market. The Company may incur higher costs if production quality fails to fulfil the requirements of the Company and the market, and there is a risk of impact on the Company's reputation. There is also a risk that failure to fulfil requirements in respect of volumes and delivery times or failure to deliver may result in deferred or cancelled sales. This is why delayed deliveries or failure to deliver could have an adverse impact on the Company's operations, financial position and performance.

The Company is of the opinion that the level of risk indicated above is medium.

### Development risk

The Company's sector is constantly evolving at a rapid pace. There is a risk of the Company's products failing to be developed as effectively as its competitors' products. There is also a risk of new technology superseding the Company's technology, or a risk of Energy Save being unable to develop its own products as new technology is introduced.

The development rate for Energy Save has outstripped the pace indicated in its business plan, which also involves a risk of other risks and difficulties arising that have not been anticipated by the Company. Development at a pace faster than that set out in the Company's business plan also involves a risk of the Company



not having enough time in which to recruit personnel and develop production at a corresponding pace. The risks set out above could have an adverse impact on the Company's operations, financial position and performance.

The Company is of the opinion that the level of risk indicated above is medium.

#### **Limited resources**

Energy Save is a small company, and its resources in respect of management and capital are limited. It is vital for resources to be allocated optimally for the Company so that the Company's strategy can be implemented. The Company is at risk of having insufficient resources, and of suffering financial problems in addition to problems related to operations if the Company is unable to obtain further resources. Please see the risk entitled "Future capital requirements" for more information. The Company may also be at risk of having insufficient resources to deal with unanticipated expenses or incidents, which may result in the Company having to deviate from its strategy.

Limited resources also involve a risk of the Company being unable to respond to changes in market demand and requirements for the Company's products. The Company's limited resources may also make it harder for the Company to set itself apart from its competitors. Please see the risk entitled "Competitors" for more information. The above could have an adverse impact on the Company's operations, future growth, performance and financial position.

The Company is of the opinion that the level of risk indicated above is medium/low.

#### **Macroeconomic conditions**

The economic climate in Sweden, as well as other markets, may be impacted by extreme and rapid downturns over time, resulting in greater instability and negative expectations in respect of future economic developments. Inflation in Sweden and other markets in which Energy Save is active may adversely impact the Company's operations, financial position and operating profit. Reduced investment, an unstable capital market and reduced profitability are examples of such factors. There is a risk that inflation will result in fewer people being able to afford to invest in heat pump installation.

Moreover, the Company's sales and operations are impacted by current primary energy prices such as gas and electricity prices: there is a risk of a decline in the Company's sales as gas prices fall. There is also a risk of the Company being incapable of adapting to fluctuating macroeconomic conditions, or of the Company failing to judge the economic climate in the markets correctly. All these risks could have an adverse impact on the Company's financial position and operations.

The Company is of the opinion that the level of risk indicated above is low/medium.

#### **Reliance on key individuals, workers and partners**

The Company's success is based on the expertise, creativity and experience provided by a small number of individuals and partners, and is reliant on being able to find and retain qualified workers and partners going forward. The Company's ability

to go on identifying and developing business opportunities going forward is reliant on the expertise and experience of the Company's workers and key personnel. Energy Save is to be regarded as a small organisation in terms of its number of workers. There may be an adverse impact on the Company's operations, financial position and performance if the Company were to lose key senior personnel or fail to recruit competent personnel.

Energy Save needs to be able to attract and retain qualified workers with relevant training and experience. There is relatively strong competition for experienced workers with the right training in the industry in which the Company operates, and this may impact the Company's ability to retain and recruit qualified and experienced workers. Unanticipated losses of key personnel or partners may result in cost increases in the short term, and the success and evolution of the Company may be impaired, at least in the short term.

The Company is of the opinion that the level of risk indicated above is low.

#### **Distributors**

The Company uses distributors to sell and supply its products to its end-clients. Energy Save works actively with distributors all over the world, and the Company is reliant on its distributors' networks and sales development. Hence the Company is reliant on maintaining partnerships with distributors. The majority of the Company's distributors operate under relatively short distribution contracts with one-year terms: these are renewed each year if distributors deliver in accordance with defined goals. This is why contracts with distributors are not extended automatically, and any amendment to the current distribution contracts may have an adverse impact on the Company's operations, financial position and performance.

There is a risk that successful distributors may decide not to renew their contracts with Energy Save and choose instead to work with one of the Company's competitors, which could harm the Company's position in the market. There is also a risk of distributors failing to operate as set out in the contract when distributing the Company's products to clients, for instance. Failure of the Company's distributors to perform and operate in line with expectations pursuant to their contracts may have an adverse impact on the Company's operations, financial position and performance.

The Company is of the opinion that the level of risk indicated above is low.

#### **Competition**

There are a number of stakeholders engaged in similar operations in the Company's market at present. A number of these competitors are regarded as having more opportunities to adapt to changes in client demand as they have greater financial resources. As a result, competing stakeholders may have the opportunity to allocate more resources to marketing and product development, for instance. Given this fact, there are no guarantees that Energy Save will be as successful from a competitive standpoint going forward. Energy Save is at risk of being unable to improve its current market position.

Greater competition may result in pressure on the pricing of the Company's products and services and a reduction in market share, which could have an adverse impact on the Company's operations, future growth, performance and financial position. The Company is also at risk of being unable to compete with stakeholders that benefit from economies of scale if prices are squeezed. There is also a risk that the market may select heat pump suppliers offering broader product ranges rather than Energy Save, which would impact the Company's performance and financial position.

The Company is of the opinion that the level of risk indicated above is low.

### **Regulations and policy decisions**

Energy Save operates in Sweden and Europe and sells products both nationally and internationally. The Company is exposed to risks on account of amendments to laws, regulations, taxes and customs duties. The Company is also impacted by external circumstances that are beyond the Company's control, such as public, economic, fiscal, monetary and other political uncertainties in countries in which the Company is active.

Energy Save's operations and sales in Sweden and elsewhere are conducted in accordance with applicable tax legislation for sales taking place both in Sweden and elsewhere, as far as the Company is aware. There is a risk of legislation being amended or the Company's interpretations of tax regulations in Sweden or abroad being incorrect. Energy Save's present or previous decisions may therefore be subject to change on account of decisions made by Swedish and foreign tax authorities. The above may have an adverse impact on the Company's operations, financial position and performance.

The Company is of the opinion that the level of risk indicated above is low.

### **Financial risks**

#### **Risk of failure to pay dividends**

Energy Save is undergoing a phase of evolution and expansion, and so reinvestment in operations of profits generated is prioritised. Historically, the Company has paid no dividends to its shareholders, and there are no plans to pay dividends in the next few years. Future dividends may only be paid in such amounts that full coverage for the Company's restricted equity is available after the dividend has been paid, and only if this seems to be justifiable given (i) the demands made by the nature, scope and risks of operations on the size of the equity, and (ii) the Company's need for consolidation, liquidity and position in general (known as the precautionary principle). The main rule is that the general meeting of shareholders may not make decisions on dividends of amounts greater than those proposed or approved by the Board of Directors.

There is a risk that the Energy Save Board of Directors will not propose or approve dividends over the next few years. There is also a risk that the Company's operations will fail to generate cash flows that will suffice to allow it to pay dividends. Any

parties investing in Energy Save must therefore be aware that there is a risk of dividends failing to be paid at all.

The Company is of the opinion that the level of risk indicated above is medium.

#### **Currency risk**

Energy Save is a Swedish limited liability company, and its performance and financial position are reported in SEK (Swedish kronor). The Company's transactions are mainly denominated in SEK, USD and EUR, which means that Energy Save's purchases and sales are exposed to fluctuations in these currencies. Between 1 June 2022 and 31 May 2023, the exchange rate for one (1) USD totalled SEK 9.6968 at its lowest and SEK 11.4328 at its highest, while the exchange rate for one (1) EUR totalled SEK 10.3570 at its lowest and SEK 11.6698 at its highest.

Exchange rate fluctuations may result in exchange rate losses for Energy Save, thereby impacting the Company's operating profit and financial position. Energy Save will be impacted by exchange rate losses if the exchange rate development of foreign currencies in which the Company has receivables develops negatively in relation to SEK. This could have an adverse impact on the Company's operating profit and financial position; and vice versa for the foreign currencies in which the Company has liabilities.

Energy Save is of the opinion that much of the future market for heat pumps is in other countries, and that most sales of this kind will be made in currencies other than SEK. An increase in sales in currencies other than SEK will increase the Company's exposure to exchange rate fluctuations, which may have an adverse impact on Energy Save's financial position and performance.

The Company is of the opinion that the level of risk indicated above is medium.

#### **Future capital requirements**

Energy Save will be reliant on successful commercialisation and expansion going forward. There is a risk of the Company failing to generate sufficient funds for shorter or longer periods that will allow it to fund future investments and/or continuation of its operations. Hence there is a risk of Energy Save having insufficient working capital to meet the Company's needs, and as a result the Company may be forced to seek future external funding so as to be able to continue operating at the growth and development rate planned by the Company. There are no guarantees that Energy Save will be capable of obtaining the funding required, or that any such funding will be available on terms that are favourable to the Company and existing shareholders. There is a risk of Energy Save having to postpone, scale back or terminate projects or parts of its operations if it fails to obtain additional funding at specific times as required.

The Company is of the opinion that the level of risk indicated above is medium.



### **Market interest rates**

Rising market interest rates may impact the Company's ability to raise new loans or renew loans on terms that are acceptable to the Company. It may also increase capital costs, which could have an adverse impact on the Company's financial position and performance. Rising market interest rates may also make clients less willing to invest in heat pumps, which may have an adverse impact on the Company's sales, financial position and performance.

The Company is of the opinion that the level of risk indicated above is medium.

### **Risks related to the Company's shares**

#### **Share price performance, volatility and liquidity**

Existing and prospective investors in Energy Save should note that there is risk inherent in investing in the Company, and that predicting positive share price performance is impossible. Investors are at risk of losing some or all of the capital invested in Energy Save. Historically, the Company's share price has been volatile and may go on fluctuating going forward as a result of factors such as general economic conditions, general macroeconomic factors and changes in the stock market's interest in the Company and its shares. Hence Energy Save's share price may be impacted by factors that are partly or entirely beyond the Company's control.

Energy Save's class B shares had a minimum closing price of around SEK 28.4 and a maximum closing price of around SEK 238 over a twelve-month period ending on 31 May 2023. There is a risk of shares in the Company being impossible to sell at a price that would be acceptable to shareholders at the time. Moreover, limited liquidity in shares may in turn amplify fluctuations in the share price. The average turnover per trading day for Energy Save's class B shares during the same period totalled SEK 4,614,690.90 per day. Shareholders may find it difficult to sell their shares at short notice and on acceptable terms, or, indeed, at all if liquidity is low.

The Company is of the opinion that the level of risk indicated above is high.

#### **Dilution in future issues**

Going forward, Energy Save may raise further capital by resolving to issue new shares and/or other securities. New issues of shares and/or securities may have an adverse impact on the Company's share price. If new shares and/or securities are issued, this may also reduce proportional ownership and voting rights for holders of Energy Save shares (dilution).

Shareholders will have the option of defending themselves against dilution by subscribing for additional securities in the Company if the new issue is conducted with preferential rights for existing shareholders. However, this will require additional investment in the Company. However, a new issue can be made with a derogation from the preferential rights of existing shareholders, which means that shareholders have no opportunity to defend themselves against dilution. Hence there is a risk of existing shareholders' holdings in the Company being diluted if Energy Save conducts a new issue of securities.

The Company is of the opinion that the level of risk indicated above is medium.



# Introduction to Energy Save

## Reduced climate footprint and greater energy efficiency

The European heating sector is characterised by the transition from fossil fuels to renewable green electricity so as to reduce carbon emissions from coal and natural gas. The European Green Deal is the EU's long-term growth strategy and aims to make the EU climate-neutral by 2050.<sup>1</sup> Energy-efficient heat pumps that run on green electricity are a cost-effective and eco-friendly solution.

Energy Save supplies products and services that are based on smart, cost-effective air-to-water heat pump systems for the construction and property sector, thereby helping to reduce the investment threshold for the green transition from fossil fuels to renewable green electricity. The Company has grown more quickly than the European heat pump sector to date, and is growing in the technology discipline (air-to-water heat pumps) that is displaying the fastest growth. The European heat pump market grew by 34 per cent in 2021 (38 per cent in 2022).<sup>2</sup> Energy Save saw net revenue growth of 95 per cent in the 2021/2022 fiscal year and 176 per cent in the 2022/2023 fiscal year.

<sup>1</sup>: Evident in Sweden on account of the Renewable Energy Directive, the Energy Efficiency Directive, the Energy Performance of Buildings Directive, the Ecodesign Directive and the Energy Labelling Regulation.

<sup>2</sup>: [https://www.ehpa.org/press\\_releases/heat-pump-record-3-million-units-sold-in-2022-contributing-to-repowereu-targets/](https://www.ehpa.org/press_releases/heat-pump-record-3-million-units-sold-in-2022-contributing-to-repowereu-targets/)

## Background and motives

### Listing on the Nasdaq First North Growth Market

The Board of Directors is of the opinion that listing Energy Save's class B shares on the Nasdaq First North will pave the way for future value creation for the Company's shareholders by means of improved liquidity in the Company's class B shares and increased interest in operations and the Company from analysts, the general public, institutional investors, clients and other stakeholders, both nationally and internationally. Listing is expected to facilitate the future evolution and expansion of Energy Save, thereby representing an important step in the Company's evolution.

Nasdaq Stockholm concluded on 21 September 2023 that the Company meets the applicable listing requirements. The first day of trading on the Nasdaq First North is 6 October 2023. No actions by Energy Save shareholders are needed in connection with the listing on the Nasdaq First North.



## CEO's statement

# A company undergoing enormous growth in a market that is growing rapidly

ES Energy Save Holding AB (publ) continued its strong performance in the 2022/2023 fiscal year. The company's turnover almost tripled to SEK 302.2 million, and the year ended with a profit of SEK 42.6 million. Deliveries were made to our new distributors for the markets in the United Kingdom and Germany towards the end of the fiscal year.

The European heat pump market is experiencing a massive upswing on account of both the EU's climate initiative and the energy crisis caused by the Russian invasion of Ukraine. 65 per cent of commercial properties in Europe are expected to be converted to heating based on green electricity by 2030.<sup>3</sup> Heat pumps are needed if this solution is to come about, which means that the number of heat pumps is expected to increase from the 20 million or so in use today to around 60 million, with a market growth of more than 25 million heat pumps in the air-to-water technology discipline.<sup>4</sup>

The driving forces thought to be behind this development are:<sup>5</sup>

- Suitability of air-to-water technology in buildings where waterborne heating is already installed
- Hybrid solutions creating flexibility over time and between different types of energy
- Prefabrication facilitating design and installation
- Digitalisation supporting increased manageability and energy efficiency

<sup>3</sup> <https://www.ehpa.org/policy/european-green-deal/energy-climate-planning/>

<sup>4</sup> [https://www.ehpa.org/2023/04/26/ehpa\\_news/meeting-eu-heat-pump-goals-will-slash-20-off-heating-bills-report/](https://www.ehpa.org/2023/04/26/ehpa_news/meeting-eu-heat-pump-goals-will-slash-20-off-heating-bills-report/)

<sup>5</sup> [https://www.ehpa.org/wp-content/uploads/2022/10/White\\_Paper\\_Heat\\_pumps.pdf](https://www.ehpa.org/wp-content/uploads/2022/10/White_Paper_Heat_pumps.pdf)

Energy Save is in extremely good positions in all four of these areas, and the aim of the directed new issue to a limited number of institutional investors that was conducted by Energy Save in February 2023 was to further reinforce the conditions that would allow us to continue our journey of growth.

This capital injection, amounting to around SEK 150 million after issue costs, will allow aggressive initiatives to be implemented in order to:

- reinforce the existing supply chain so as to ensure capacity for expansion,
- accelerate growth, both organically and – potentially – through acquisitions as well,
- expand and modernise existing test labs and R&D facilities; and
- accelerate international expansion, mainly in the United Kingdom and Germany at first.

June 2023 saw the announcement of the signing of a contract with a clean energy tech company by the name of Aira, which was founded by investment company Vargas. This contract means that Energy Save will become a technology partner to Aira, and the contract initially covers both development of technology and the supply of equipment worth somewhere in the region of SEK 20 million. In our opinion, this could lead to further commercial cooperation. The contract is in line with our strategy to assist in the transformation of the European energy system by means of strong, long-term partnerships.

#### **High levels of activity in a provisionally hesitant market**

There has been slight weakening of the demand for heat pumps over the last six months, while demand for system concepts like Plug-in Modules, ES NordFlex and ES HeatStar DX remains buoyant. Net revenue in the 2022/2023 fiscal year totalled SEK 297.6 million (107.7), representing growth of 176 per cent.

We are perceiving seasonal variation following a long period of constant growth in demand that was absolutely natural for heat pumps in the past, end-clients' investment decisions being made before or in the initial phase of a new heating season, for natural reasons. This variation was also impacted in 2023 by the long but mild winter season from a European perspective, fluctuating energy prices and the uncertain European interest rates and economic environment. There are no signs of the same seasonal impact in the product range for system concepts for commercial properties, either in the past or at present. There is a great deal of interest in our property products and a major need for energy renovation in the property segment, and this is expected to grow rapidly over the next few years. A similar development is anticipated in the residential property segment. That said, it is clear that capacity for some of our partners in the distribution chain is too limited to meet the huge and growing demand for our complete range of products. Efforts are in progress to expand the distribution network to add more major distributors, with a view to evening out the seasonal variations that have been apparent over the last year. The increase in stock levels places us on a good footing from which to deal with the forthcoming peak season, and we are continuing to focus on our objective of growing more quickly than the market while maintaining good profitability in the fastest growing heat pump segment. As a result, we are expecting to see annual growth exceeding 20 per cent in the current fiscal year, and on average in the years up to 2030, as well as profitability around the 15 per cent mark over a business cycle.

We had distributors in 26 countries by the end of the fiscal

year: Germany was the latest market added thanks to our contract with EC Power A/S. EC Power is a leading manufacturer of small combined heat and power plants for the European market and is well placed to help establish our products in Germany and provide one of a number of routes to market through an exciting niche. The markets in the United Kingdom and Germany developed well thanks to deliveries to our new partners in late 2022/early 2023.

#### **In a good position for the next growth phase**

We reinforced our sales organisation both in Sweden and at our export office in Slovenia in 2023 so as to meet demand for our products more effectively. One aim of these recruitments is to be able to develop our business in the regional markets, particularly with emphasis on the United Kingdom and Germany; markets that most analysts agree will see the most rapid growth and offer the greatest potential for growth over the next few years. We have also been able to reinforce our development of processes and products by bringing in new expertise in our digital business area and for development of our supply chain, for instance, besides expanding our capacity to help us meet the needs of client-driven development projects. The collaboration that we have announced with Aira is a good example of the importance of the latter.

**“We are ready to lead the next phase of green energy transformation in Europe thanks to our strong position, scalability and innovative partnerships.”**

We are continuing to maintain a very high level of activity in a strong pipeline of client projects where we maintain a special position in terms of both hardware and software as a development partner and OEM supplier of heat pump technology, helping new stakeholders establish a presence in the market.

Our product range and partnerships in the commercial segment continued to evolve throughout the year. October 2022 saw the launch of another product in our Plug-in Module range. PiM Move is a heat pump concept for temporary energy needs and is installed on a rolling chassis. April 2023 saw the announcement of our long-term partnership with the new El-Björn ePOLE business area, which in 2023 initially includes the sale of five ES HeatBox Hydro 90 heat pump modules.

The completed new share issue, recruitment drives conducted and reinforcement of our distribution network place us in an excellent position from which we can go on benefiting from the position and scalability that have already been built up. New partnerships and further reinforcement of our supply chain, technology management capabilities and project management capabilities will allow us to go on growing faster than the market in future growth stages while also maintaining profitability. We are ready to scale up our operations still further with a broadened ownership base and the addition of institutional owners, and we are ready to realise the long-term opportunities for growth for which we are now in an excellent position.

Fredrik Sävenstrand  
Chief Executive Officer

# The market – greater need to improve energy efficiency

The European heat pump market has been growing for a number of years on account of the EU's climate action. This market is further boosted by the energy crisis that has come about on account of the drastic reduction in energy imports from the East because of the war in Ukraine and increases in the price of natural gas, which used to be cheap.

## Reduced climate footprint and greater energy efficiency

The heating and cooling market represented 50 per cent of Europe's energy consumption in 2019, which made it Europe's biggest energy sector.<sup>6</sup> The biggest energy source for heating and cooling buildings in Europe is gas, followed by coal and biomass in second and third places.<sup>7</sup>

The European heating sector is characterised by the transition from fossil fuels to renewable green electricity so as to reduce carbon emissions from coal and natural gas. The European Green Deal is the EU's long-term growth strategy and aims to make the EU climate-neutral by 2050.<sup>8</sup> The EU's objective is to transform itself by 2050 into a modern, competitive and resource-efficient economy that has zero net greenhouse gas emissions. One of the targets for implementing this strategy is what is known as the 'Fit for 55' package, the aim of which is to reduce net greenhouse gas emissions by a minimum of 55 per cent by 2030 compared to levels in 1990.<sup>9</sup>

6 <https://www.ehpa.org/wp-content/uploads/2022/12/EHPA-input-on-heating-cooling-in-EED.pdf>

7 <https://www.iea.org/energy-system/buildings/heating>

8 Evident in Sweden on account of the Renewable Energy Directive, the Energy Efficiency Directive, the Energy Performance of Buildings Directive, the Ecodesign Directive and the Energy Labelling Regulation.

9 [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en)

10 <https://www.iea.org/energy-system/buildings/heating>

11 [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repower-eu-affordable-secure-and-sustainable-energy-europe\\_sv](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repower-eu-affordable-secure-and-sustainable-energy-europe_sv)

12 [https://sweden.representation.ec.europa.eu/news/fysiska-varor-i-eu-ska-bli-mer-miljovanliga-cirkulara-och-energieffektiva-2022-03-30\\_sv](https://sweden.representation.ec.europa.eu/news/fysiska-varor-i-eu-ska-bli-mer-miljovanliga-cirkulara-och-energieffektiva-2022-03-30_sv)

13 <https://www.europaportalen.se/2020/10/kommissionen-vill-lata-renovera-35-miljoner-byggnader>

14 <https://www.ehpa.org/wp-content/uploads/2022/12/EHPA-input-on-heating-cooling-in-EED.pdf>

15 COP is used to calculate heat pump efficiency and can be used to compare the output of various heat pumps. The higher the COP, the more efficient the heat pump is. COP is calculated by examining the number of kilowatts that can be generated by the heat pump per kilowatt consumed. A COP of 5 means that the heat pump generates 5 kW of power per kW consumed. Heat pump manufacturers have been required to provide COP figures since 2011.

16 <https://www.ehpa.org/meeting-eu-heat-pump-goals-will-slash-20-off-heating-bills-report/>

17 <https://www.ehpa.org/wp-content/uploads/2022/12/EHPA-input-on-heating-cooling-in-EED.pdf>

18 [https://www.ehpa.org/2023/04/26/ehpa\\_news/meeting-eu-heat-pump-goals-will-slash-20-off-heating-bills-report/](https://www.ehpa.org/2023/04/26/ehpa_news/meeting-eu-heat-pump-goals-will-slash-20-off-heating-bills-report/)

Europe imports more than half of its energy from fossil fuels, which results in a great deal of dependence on other states such as Russia, for instance.<sup>10</sup> This is why energy efficiency is also a cornerstone of the REPowerEU Plan, the EU's strategy for rapidly reducing dependence on natural gas and imported fossil fuels from the East.<sup>11</sup>

In the EU, buildings account for some 40 per cent of energy consumption and 36 per cent of energy-related emissions.<sup>12</sup> The construction sector has a high climate footprint, and emissions from the construction and property sector have to be reduced if the world's climate goals are to be achieved. In other words, existing buildings will have to be modernised and new buildings will have to meet more stringent demands in terms of energy consumption, both during construction and on a day-to-day basis. There will be a need to double energy renovation rates in order to meet the long-term goals for 2050; and it is estimated that 35 million of the buildings offering the worst performance will have to be renovated before 2030 for the EU to meet its defined goal of 55 per cent decarbonisation by 2030.<sup>13</sup>

## Heat pump technology reducing carbon emissions

Energy-efficient heat pumps that run on green electricity will potentially play a key part in the industry's green transition. Heat pump technology is one of the most cost-effective solutions per kWh of power generated, while also having some of the lowest environmental impact.<sup>14</sup> The heat pump uses additional electrical energy to draw its energy from outdoor air, which is a renewable source. This is how heat pumps output more energy than they need to run (COP factor<sup>15</sup>), which helps to reduce electricity consumption.<sup>16</sup>

Heat pumps also offer flexibility thanks to their control, their compatibility with existing heating systems, and the fact they allow energy to be stored using appropriate media and used as required. Furthermore, their compatibility with other types of energy paves the way for all kinds of new opportunities for building energy solutions.

Heat pumps offer the best solution for efficiency and integration with renewable energy.<sup>17</sup> The goal by 2030 is to convert 65 per cent of commercial buildings to heating powered by green electricity, which means there is a need to increase the 20 million

heat pumps in use at present to around 60 million by 2030 if the EU is to meet the electrification goals defined.<sup>18</sup>

Significant growth is anticipated in the heat pump market, in particular the property segment, and of the various heat pump types, air-to-water technology is anticipated to offer the greatest potential for growth.<sup>19</sup> Additionally, policy decisions and various investment subsidies rolled out over the last eight to ten years are now taking effect. Growth is expected to be greatest in the residential property segment initially; but in contrast to developments in the Swedish market, the commercial property segment will grow rapidly.<sup>20</sup>

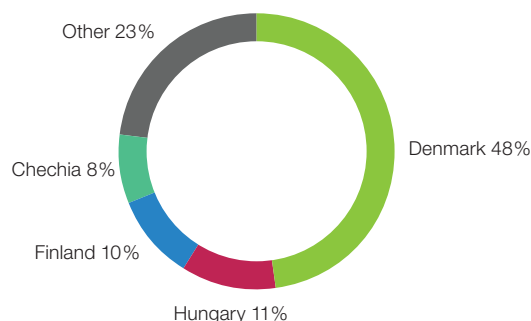
All in all, more stringent demands are being made for greater flexibility in energy systems, but the anticipated growth will also result in more of a shortage of capacity and expertise among both fitters and consultants. Air-to-water technology (which does not necessarily cause major damage), hybrid solutions, prefabrication and digitalisation,<sup>21</sup> all fields in which Energy Save maintains good positions, are expected to provide structural drivers.

The European heat pump market is expected to grow by 20 per cent (CAGR) up to 2025,<sup>22</sup> primarily on account of enhanced technology and improved legislation. Going forward, two of the markets offering the greatest potential for growth are expected to be the United Kingdom and Germany. The United Kingdom is aiming to install 600,000 heat pumps each year up to 2028,<sup>23</sup> which represents 40 per cent growth (CAGR). Germany needs to have 6 million heat pumps by 2030,<sup>24</sup> which represents 15 per cent growth (CAGR). Most British and German properties have water installed, and so air-to-water technology is preferable. Sweden and Norway have been at the forefront for a long time when it comes to implementing both air-to-air and air-to-water heating, and these are now mature markets where demand is more saturated. Despite this fact, the market in Sweden has grown in 2023 and this trend is expected to continue.<sup>25</sup>

## Energy Save's main markets

Energy Save is addressing the European heat pump market by adopting a position whereby the drivers identified by the Company a number of years ago are identified as key factors for success. First and foremost, these drivers involve years of focus on air-to-water technology, the technology that is expected to see the fastest growth. This is a very appropriate solution for energy renovation of buildings where waterborne heating is installed, for instance. The Company also sets itself apart from its competitors thanks to its strong emphasis on hybrid solutions, digitalised solutions and ambition to deploy these in order to act as an enabler to control and combine various sources of energy and heat with a view to achieving optimal energy savings for end-consumers. Moreover, Energy Save's emphasis on prefabrication and digital design and dimensioning tools simplifies the design phase of heat pump installation, an aspect that normally requires significant resources. It is thought that this simplification will be increasingly in demand as the major shortage of consultants and fitters in Europe becomes more apparent.

Energy Save is represented by distributors in 28 countries in the European market,<sup>26</sup> Denmark being its biggest market in terms of share of net revenue in 2022/23 (SEKm).



19 <https://www.ehpa.org/accelerator/>

20 <https://www.ehpa.org/the-lights-will-stay-on-with-50-million-heat-pumps/>

21 [https://www.ehpa.org/wp-content/uploads/2022/10/White\\_Paper\\_Heat\\_pumps.pdf](https://www.ehpa.org/wp-content/uploads/2022/10/White_Paper_Heat_pumps.pdf)

22 <https://www.ehpa.org/accelerator/>

23 <https://www.hvnplus.co.uk/news/government-extends-boiler-upgrade-scheme-until-2028-in-energy-plan-rethink-30-03-2023/>

24 <https://www.cleanenergywire.org/news/german-2030-power-use-forecast-due-heat-pumps-e-cars-and-hydrogen>

25 <https://skvp.se/aktuellt/nyheter/nyhetsarkiv/hogtryck-i-varmepumpsforsalningen>

26 Albania, Austria, Belgium, Bosnia, Bulgaria, Chile, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Moldova, Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Sweden, Switzerland, United Kingdom.



## Competitors

Nibe Industrier AB is a Swedish company listed on the Nasdaq Large Cap and employs 16,000 people around the world. Nibe manufactures and sells heating equipment and domestic heating products such as heat pumps, boilers and wood burners.<sup>27</sup>

IVT Värmepumpar AB is a Swedish company that manufactures and sells various kinds of heat pumps and employs about 450 people. IVT is owned by Robert Bosch GmbH.<sup>28</sup>

Products from Qvantum Energi AB have a capacity of between 5 and 185 kW. This company has a production capacity of 50,000 heat pumps and had no major revenue in 2022.<sup>29</sup>

Vaillant Group is an international stakeholder in the field of heating and ventilation technology based mainly on renewable energy sources. The company's product portfolio includes solar heating, heat pumps, ground source heat pumps, air-to-water heat pumps, gas boilers, water heaters, controls and ventilation systems for low-energy buildings. Servicing and accessories are also included in its product portfolio.<sup>30</sup> Daikin Industries Ltd., a company based in Osaka in Japan, employs about 89,000 people all over the world and achieved sales of EUR 23.7 billion in the 2021 fiscal year (1 April to 31 March 2022). This company is a global supplier of heat pumps and air-conditioning systems, as well as air filtration. Daikin Industries Ltd. maintains in-house development and manufacture of components such as refrigerants, compressors and electronics.<sup>31</sup>

27 [www.nibe.eu](http://www.nibe.eu)

28 [www.ivt.se](http://www.ivt.se)

29 [www.qvantum.com](http://www.qvantum.com)

30 [www.vaillant.com](http://www.vaillant.com)

31 [www.daikin.com](http://www.daikin.com)



# Description of operations

Energy Save supplies products and services that are based on smart, cost-effective air-to-water heat pump systems for the construction and property sector, thereby helping to reduce the investment threshold for the green transition.

A core business working with consumer products was established over a period of many years after the company began operating in 2009. In turn, this funded the development of new product concepts. The platform established for the residential property segment was adapted to provide systems offering larger capacity for commercial properties in 2013. The Company's products hold A++ or A+++ certification and deliver similar energy efficiency to market-leading products. To date, Energy Save has supplied more than 20,000 heat pumps for the European market and is currently represented through distributors in 28 markets.

To date, the Company has grown more quickly than the European heat pump sector and is growing in the technology discipline (air-to-water heat pumps) that is displaying the fastest growth. The European heat pump market grew by 34 per cent in 2021 (38 per cent in 2022).<sup>32</sup> Energy Save saw net revenue growth of 95 per cent in the 2021/2022 fiscal year and 176 per cent in the 2022/2023 fiscal year.

In 2023, Energy Save carried out a directed new issue of SEK 151.2 million before deduction of issue costs. This directed issue took place with a view to reinforcing the existing supply chain so as to ensure expansion capacity, build organisational capacity in the fields of product and project organisation, and to reinforce the Company's position in the United Kingdom and Germany, markets in which strong growth is anticipated going forward.

## Vision

Energy Save's aim is to be a global pioneer in the field of sustainable energy solutions for a greener tomorrow.

## Mission

Energy Save's mission is to create partner-based, global business opportunities for innovative energy solutions and heat pump technology based on Swedish engineering.

## Objective

The Company's objective is to go on gaining market share and to outperform the market, and also to go on growing profitably with an operating margin of about 15 per cent.

## Strategy

Energy Save is controlling the whole value chain via a partnership strategy, with an efficient pathway from development and production to the final stage to market. This ensures that lead times are kept short, while also keeping costs low in terms of heat pump system development, production and delivery.

Energy Save is not aiming to emulate other major heat pump manufacturers, but focuses instead on niches and new products that stand out. The Company has opted to define the Company's resources and focus them in the areas in which the heating market is anticipated to experience the greatest growth, and where the Company's strengths and competitive advantages can be utilised to the full. The Energy Save strategy focuses on:

- air-to-water technology<sup>33</sup> – which has performed most strongly and is forecast to encounter the strongest market growth
- the property segment – which is expected to undergo the fastest growth and be less subject to competition than the consumer market
- industrialisation of a trade industry – thanks to prefabricated and mobile heat pump solutions
- digitalisation – including design and specification tools to replace traditional consultancy initiatives that are slow and costly

The strategy for addressing the European market is based on having a Swedish brand, Scandinavian design and innovative products that people associate with quality and performance, and also on having Scandinavia as a base for product development and a reference market (proof of concept) for successful heat pump technology for wider roll-out in the European market.

32: [https://www.ehpa.org/press\\_releases/heat-pump-record-3-million-units-sold-in-2022-contributing-to-repowereu-targets/](https://www.ehpa.org/press_releases/heat-pump-record-3-million-units-sold-in-2022-contributing-to-repowereu-targets/)

33: The air-to-water heat pump is made up of an outdoor part (the actual heat pump itself) and an indoor part. The heat pump harnesses thermal energy in outdoor air to provide heat and hot water inside the building. The outdoor air is sucked in through the heat pump, the energy is absorbed by a closed system and the colder air is ejected. Advanced compressor technology causes the temperature to rise, then the heat is sent to the indoor unit and on to the building's heating and hot water system. The same system can also be used to cool the building in the warmer months of the year.

### Strategic direction of product concepts

The Company is working towards industrialisation of the heat pump industry while digitalising clients' cost-driving consultancy initiatives. This is how Energy Save system solutions are helping construction companies, homeowners and property owners to meet their needs in terms of both heating and cooling, providing cost-effective solutions and achieving their climate goals. The range is based on modularisation and standardisation while also maintaining high quality and performance. The Company provides services and digital support systems in the form of real-time monitoring in addition to its products. This is why Energy Save places strong strategic emphasis on hybrid technology, prefabrication and digitalisation.

### Hybrid technology

The Company used strong partnerships to focus strongly on hybrid technology, with heat pump systems creating synergies thanks to complete integration with other additional supplementary heat sources such as electricity, wood, gas, district heating or pellets. The Company has developed hybrid system solutions that generate 40 to 70 per cent energy savings compared to conventional alternatives such as district heating, electric heating or burning of biofuels, oil or gas.<sup>34</sup>

The hybrid energy systems for heating/cooling are compliant with the criteria and needs associated with green electricity production during construction and throughout the service

life of the building, which paves the way for a central position in the energy systems of the future.

### Prefabrication

#### Temporary applications

"Temporary applications" are needs for heating and cooling that are limited in time, such as heating during construction, or for events or field hospitals, for instance. Construction fans that run on electricity or diesel generators are used at present to heat and dry buildings during construction. Heating consumes a lot of energy but is very much necessary; to enhance the work environment, but also to allow concrete to set and to prevent moisture.

Semi-temporary needs can also be met: for heating at refugee centres, for example, or temporary school buildings, where clients want to save energy and bring down costs.

#### Permanent needs

Conventional solutions that use equipment rooms constructed on site and associated heat pumps involve complex, costly and time-consuming installation when heating systems are to be replaced, supplemented or newly built. Installation requires a number of teams of tradesmen and presents one of the industry's biggest bottlenecks – a shortage of fitters and consultancy expertise. Additionally, traditional heat pump installation takes place inside the building, which takes up space inside the building.

34 Based on the Company's own metrics.

#### Existing heating systems

ES NordFlex supplements existing systems, no matter what heat source is used.

#### ES NordFlex

The graph shows the energy saved when heating systems are modernised.



**ES NordFlex** can be used to complement all heat source types. The property can be heated using energy from the outdoor air by adding one or more air-to-water heat pumps. This is a very cost-effective way of streamlining energy efficiency in a building. It is best to retain the previous heating source so that it can provide warmth during the very coldest days of the year. Installation of ES NordFlex helps to reduce energy consumption by up to 70 per cent.

### The Energy Save Plug-in Module

Energy Save has established a product concept for commercial properties or temporary needs. These involve patented, prefabricated energy centres known as Plug-in Modules. These modules are mobile so that they can be relocated easily between different temporary needs and can be installed with ease in both existing and new buildings. These Plug-in Modules have a smaller carbon footprint than conventional solutions and drastically reduce carbon emissions.

Plug-in Modules mean that lead times can be reduced, energy costs can be halved and the carbon footprint can be drastically reduced during the construction phase. The drying process is monitored and the heat can be adjusted on site and adapted throughout the day. The amount of energy consumed during the construction phase of the reference projects has been halved. In a property project costing SEK 100 million, energy costs account for SEK 1 million; and so halving these costs will reduce the amount spent on energy by SEK 500,000.

The Plug-in Module can also be used as a permanent solution in existing buildings. The basic structure is the same in that case, but the look of the system is adapted to suit the building (these systems are known as EcoStations). Besides its environmental and energy benefits, faster, safer and cheaper installation can be added as the entire trade process is industrialised, which results in higher net operating income and property value thanks to improved energy performance and lower operating costs.

The relative total costs of EcoStations compared to conventional geothermal and air-to-water heat pump systems are illustrated below<sup>35</sup>.

The Plug-in Module can also be connected to ventilation systems where heat is recovered from a building's exhaust air: this is done a simpler way than is the case with conventional installations. It is also possible to utilise the outdoor air cooled by the module for comfort cooling and cooling of computer rooms, for instance. This further enhances system efficiency beyond the COP factor created by the heat pumps.



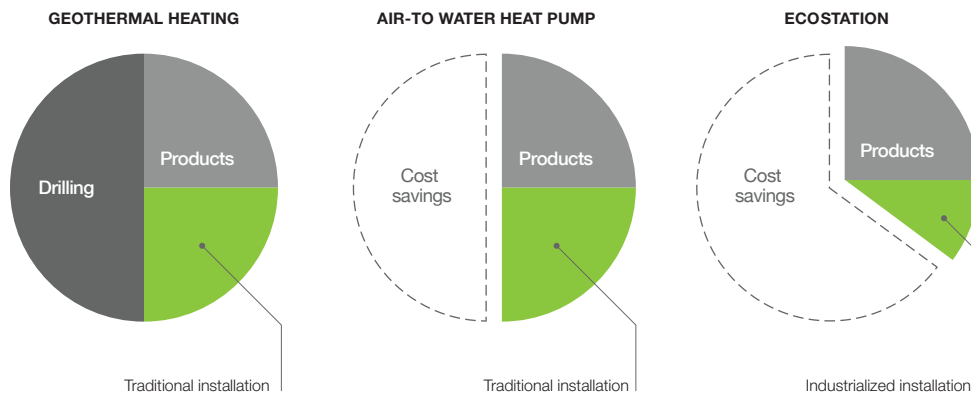
The Plug-in Module also offers adaptive control, which enables balanced energy flows between different energy sources, such as electricity from the power grid, district heating, energy in air conditioning and ventilation flows, energy storage and self-produced eco-friendly electricity from solar cells or fuel cells. This means that energy from several heat sources can be stored in accumulator tanks so that the supply of heat to the building is stable and can be controlled even during periodic reduction of available electrical power; heating water when electricity is cheap, for instance, and using the heat when electricity is expensive or unavailable.

### Digitalisation

Digitalisation is deemed to be a key factor in coping with the transition to green electricity that has commenced in Europe. Energy Save focuses strongly on digitalisation as it also helps to enhance competitiveness, improve margins and provide opportunities for new business models and revenue streams. The Company has a number of digital services at present which it is planning to expand, thereby increasing recurring revenue.

### Installation

With a traditional approach, it takes weeks of consultancy to survey what a property needs and propose a heating system of the right size, but Energy Save has developed a digital sales tool – the “Configurator” – to assist partners, importers and fitters with the sales process.



<sup>35</sup> Illustrative overview of cost savings when selecting EcoStation over geothermal heating and traditionally installed air-to-water heat pumps, based on the Company's own metrics.

The Configurator creates a ready-made map of the property's heating needs and defines the solutions that will be required to meet them, and provides a list of materials as well. This work can be completed with ease in no more than a day, which reduces the costs involved in design, energy analysis and system design, while shortening the work process and reducing the time required for quoting and planning, and also enhancing quality.

This is how Energy Save is facilitating the industrialisation of the heat pump industry while also digitalising consultancy initiatives, thereby lowering the skills threshold and the installation capacity threshold for Europe to invest in green Swedish energy technology. Total cost savings of up to 80 per cent can be achieved.<sup>36</sup>

### Control systems

All of the Company's products can be controlled and monitored remotely online, which makes it possible to control the indoor climate and heating systems down to component level in real time, as well as calling attention to any discrepancies. The data collected also makes it possible to conduct analyses and implement various energy improvement measures.

Combining air-to-water heat pumps with smart control allows what are known as microgrids to be created using green

energy produced locally to meet properties' own needs, as well as for potential redistribution to a cluster of properties. Such microgrids could help accelerate the green transition in the decentralised energy system of the future.

### Energy price optimisation

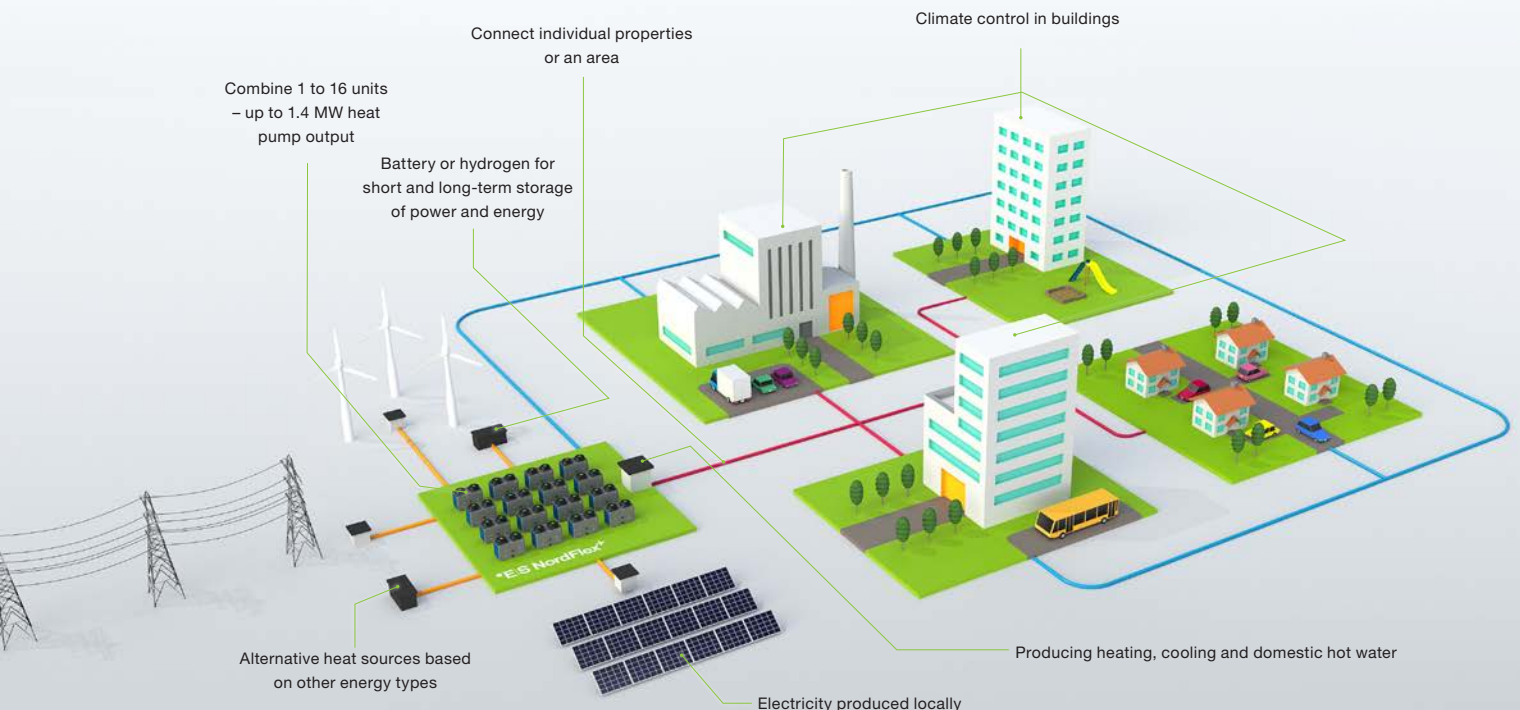
Smart grids and system solutions in which electricity grids and district heating systems are balanced are one way of creating flexibility and reducing the need for major investments. The effects of energy flows are then managed intelligently on the basis of needs, forecasts and various profiles so that no network is overloaded in the event of temporary power peaks.

The digital business area being built up by Energy Save is expected to create major client benefits on account of opportunities for energy price optimisation, greater flexibility and what is known as peak shaving (evening out peak loads, that is), thereby reducing energy costs. These benefits are made possible by being able to combine different energy sources and optimise the running of heat pump systems by means of new control intelligence, thereby dealing with the transition to green electrification that Europe needs to implement. Intelligent control combines data from temperature and consumption forecasts, weather forecasts, energy price forecasts, flexibility and balance requirements.

36 Based on the Company's own metrics.

## The microgrid of the future

Heat pump systems create synergies in partnership with other energy sources.



## Business model

Revenue is mainly generated by means of sales to established distributors in Europe. A small amount of recurring revenue is generated by means of service contracts and service offerings.

The primary strategy is based on the fact that Energy Save is responsible for the production and supply of finished products and concepts, while also providing the sales and product knowledge support needed by distributors so that they can actively promote and develop their sales. The Company's distributors are responsible for selling to local fitters, who sell to end-clients; either consumers/property owners (B2C) or professionals operating in the commercial property market (B2B). Alternatively, distributors can sell directly to one of the end-client groups referred to ("retail" distributors). The Company's distributors fund the marketing and provide local aftermarket services.

Products are sold under the Energy Save brand and under partners' own brands as private label or OEM (Original Equipment Manufacturing). The Company's strategic clients are offered the opportunity to play an active role and participate in the product development phase, along with opportunities to influence and define requirements for products' final design and characteristics.

## Production

Energy Save has established an efficient, dynamic development and manufacturing platform in partnership with Zhongshan Amitime Electric Co., Ltd ("Amitime"), a leading international manufacturer and supplier of heat pumps and a major Energy Save shareholder.

The Company's integrated supply chain processes have made it possible for Energy Save to grow more rapidly than the market, with strong delivery capability.

Amitime's annual delivery capacity stands at around 120,000 units at present, taking around 60 days on average to deliver to Europe. Amitime's capacity will triple in the autumn of 2023, when completion of their new factory is expected to take place.

## Clients

Energy Save's clients are made up of distributors and importers in Europe. Existing properties where the Company's products have been installed have been end-clients for many years, modernising worn-out or outdated heating systems to create heat pump-based hybrid systems that are capable of interacting with the original heat source. Energy Save's activities for the full replacement of end-of-life heat sources or new heating solutions have increased as a result of product development.

End-clients for the commercial property sector include commercial property owners and other property market stakeholders. Such property owners may want to achieve lower energy costs or better climate control in their property stock or need to review their heating systems (and/or cooling functions) in order to retain or obtain environmental certification.



## Business areas

The Company has three business areas at present, divided between three of its subsidiaries. Besides their business area responsibilities, the subsidiaries are responsible for specific product ranges as set out below.

Business area	•EIS SYSTEMS Property systems	•EIS HEAT PUMPS Domestic heating	•EIS SERVICES Installation & Aftermarket
Product range	<ul style="list-style-type: none"> <li>Plug-in Modules</li> <li>Ventilation systems</li> <li>Hybrid energy systems</li> </ul>	<ul style="list-style-type: none"> <li>Heat pumps</li> <li>Multifunctional tanks</li> <li>Control systems</li> <li>Accessories</li> </ul>	<ul style="list-style-type: none"> <li>Digital services</li> <li>Spare parts</li> <li>Servicing</li> <li>Repairs</li> <li>Installation service support</li> <li>Aftersales services</li> </ul>

### Commercial Property Systems business area – ES Systems AB

The Commercial Property Systems business area is largely run via Company subsidiary ES Systems AB, but is also handled via the ES Heat Pumps general network of distributors. This business area offers modular systems from 6 kW to 1.4 MW for buildings from about 500m<sup>2</sup> up to 50,000 m<sup>2</sup> via subsidiary ES Systems AB.

This business area provides products in three different areas:

- Fixed installations with equipment bays inside the building, or as larger systems adjacent to the building**

NordFlex is designed for traditional installation in equipment bays or equipment rooms in smaller buildings (approx. 500–8,000 m<sup>2</sup>). NordFlex is currently built using efficient 6–19 kW R32 machines for maximum energy savings. The system is capable of handling 1 to 7 outdoor units. NordFlex+ is an advancement of NordFlex, with larger heat pumps of 30, 45 and 90 kW respectively. The capacity of the control system has been expanded so that up to 16 units can be interconnected, giving a total heat pump output of up to 1.4 MW.

The evolution of NordFlex+ also means it is possible to build microgrids for larger areas, making it possible to combine local electricity production via solar cells, wind power or fuel cells. These systems can also be used for industrial applications and energy storage in reservoirs, or electricity storage in batteries or hydrogen. The system is capable of providing up to a 70 per cent reduction in energy consumption compared with traditional heat sources such as oil, electricity or district heating.<sup>37</sup>
- Patented, prefabricated Plug-in Modules**

The Plug-in Module product range is currently made up of four different products: two HeatBox Hydro models offering different power ranges, and two EcoStation models offering different power ranges.

HeatBox Hydro is a robust Plug-in Module niche for different types of temporary applications where clients demand a robust design for harsher conditions. EcoStation is a Plug-in Module with more or less the same content as HeatBox Hydro, but with a more neatly designed exterior so that it blends in with its surroundings in more permanent installations.
- Solutions for different ventilation system types**

HeatStar DX is a ventilation system solution provided together with Swegon. This product alternates between heating and cooling via a battery designed for refrigerants. ES HeatStar DX has been developed as there is now less energy demand for heating in modern new buildings, and a need for cooling has arisen instead. This technology allows energy to be transferred via the air in the ventilation system.

<sup>37</sup> Based on the Company's own metrics.

### **Domestic Heating business area – ES Heat Pumps AB**

The Domestic Heating business area is run via the Company's subsidiary ES Heat Pumps AB, which is responsible for the development of all of the Group's heat pump models. The Domestic Heating business area offers products for heating houses and buildings with air-to-water heat pumps in the 6–19 kW range for buildings between 50 and 500 sq m in area. All pumps are rated A++ or A+++.

ES Heat Pumps AB provides air-to-water heat pumps that use both split and monobloc technology. The Company has offered split technology from the outset. This means that heat exchange takes place indoors, which reduces the risk of the machine freezing. In a monobloc machine, the refrigerant circulates in a closed circuit and heat exchange takes place in the outdoor unit. Monobloc machines are easier to install and no qualified refrigeration technician is required. To an extent, the various climatic conditions in the markets influence how demand is distributed between the versions.

All domestic heat pumps are offered with two types of indoor units: an indoor unit for hybrid heating systems that includes controls for adapting to all existing heating systems, and an all-in-one indoor unit with an integrated water tank for preparing domestic hot water, which forms a complete heating and cooling system in buildings.

Energy Save has spent a number of years working on development of a technology and production platform for high-efficiency air-to-water heat pumps adapted for refrigerants R410 and R32, and in recent years the natural refrigerant R290 (propane with a near-zero GWP value) as well. The heat pump ranges for the residential property segment that are marketed under the ES brand mainly use R32 eco-friendly refrigerant. The Company has almost entirely phased out the conventional refrigerants that were used previously as R410, for instance, has a global warming potential (GWP) that is more than three times higher than that of R32. The new R290 series is fully tested and certified and will initially be supplied via the Company's ODM business. When the R290 units will be launched with an ES-specific design and branding via the Energy Save distribution network has not been decided as yet.

### **Installation and Aftermarket business area – ES Services**

The Installation and Aftermarket business area, via HEFOS Sverige AB, supplements and supports the product-oriented business areas. The Company offers delivery and installation of products within this business area in addition to servicing and maintenance, thereby providing clients with greater security.

Business is currently conducted by means of installation and servicing at competitive fixed prices, and also as an installation resource and service partner under its own auspices.

### **Digital Services business area**

Energy Save's trajectory is clear: to create synergies by means of hybrid energy systems that are based on product concepts offering a high level of prefabrication. The Company has successfully used the ES Configurator design tool to demonstrate how digitalisation of consultancy processes can result in greater efficiency and help to reduce costs. The digital tool has assisted in the strong sales performance of the Company's commercial property products, strengthening competitiveness throughout the value chain. This is accelerating the sales process for the Company's distributors and their installation networks.

The Digital Services business area currently provides product support to the other business areas, and going forward it will help to make the existing offering more competitive thanks to enhanced functionality and client value in respect of control, energy price optimisation, energy independence and peak shaving. In turn, this will make it possible to improve margins, bring about new revenue streams created by the emerging needs of the electricity market for balancing and flexibility and stronger positioning both in respect of partners and within the green building heating segment. The digital business area is allowing the Company to create a clear structure so as to be able to accelerate the Company's continuing transformation into a company that combines hardware and services.



## History

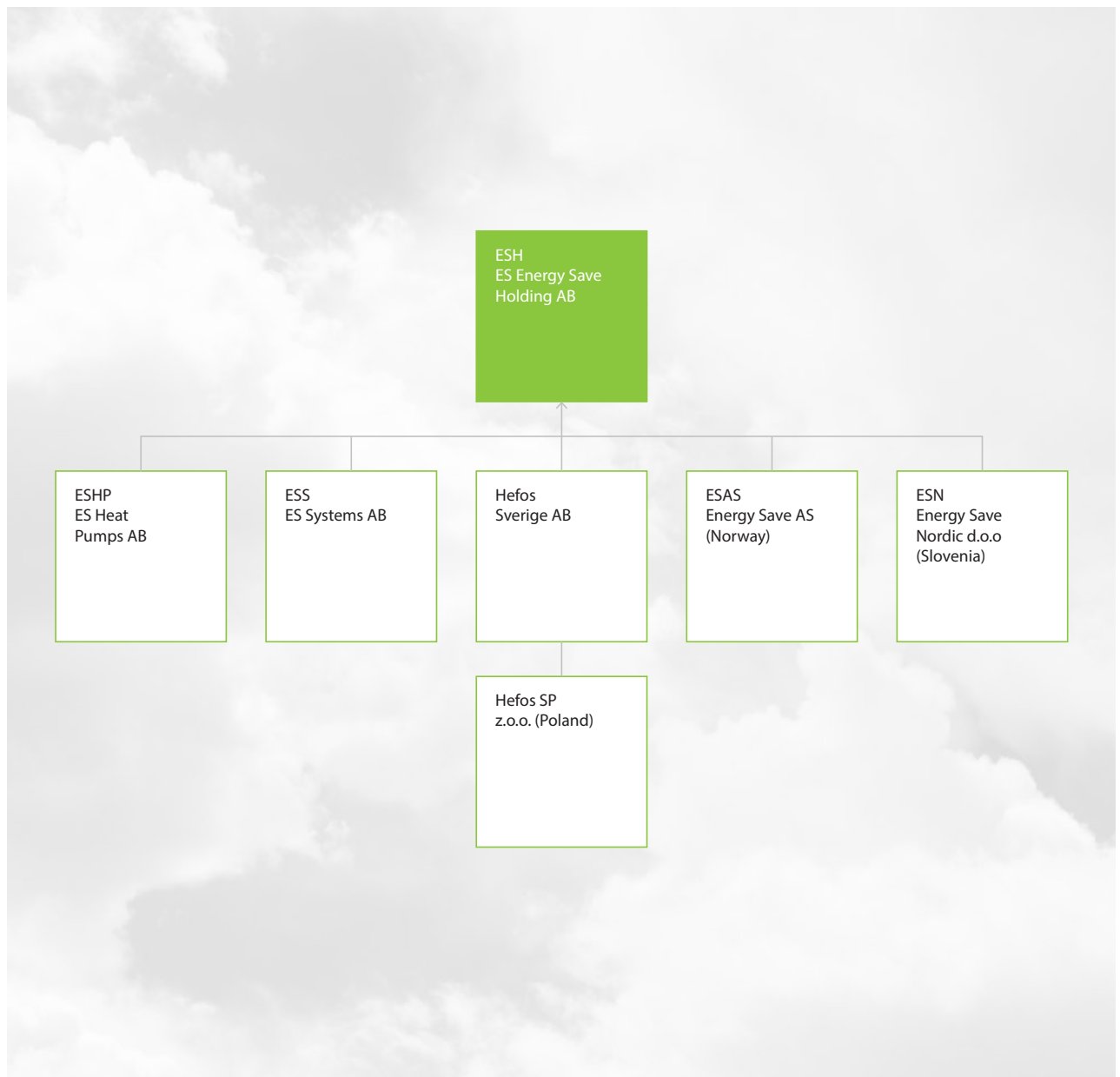
- 2003** A partnership is established with Amitime in China.
- 2005** Amitime, together with the Company's founders, chooses to target its efforts at variable speed compressor products and focus on air-to-water technology.
- 2006** The Company's first generation of air-to-water heat pumps is launched via Jula AB8 as a Private Label partner, alongside others.
- 2009** The business is acquired by Fredrik Sävenstrand, the current Chief Executive Officer, and Christian Gulbrandsen, the current head of product development. And so Energy Save is founded.
- 2011** The Company enters into an exclusive partnership with Onninen AB9 as an Energy Save product distributor. Amitime Europa BV in the Netherlands is founded by Energy Save and Amitime.
- 2012** Subsidiary HEFOS Sverige AB, a company that acts primarily as an installation resource and service partner for the residential property segment and the commercial property sector, is established in Sweden and Poland.
- 2014** Onninen Oy enters into a contract as the exclusive distributor of Energy Save products in Finland. Energy Save has established distribution and partnership contracts in five European countries by the end of 2014. Energy Save is also starting to invest in development of product ranges for commercial properties. The first product concept for the commercial property market is completed and is being installed via a number of pilot installations in which the system is being tested in conjunction with district heating.
- 2015** Plug-in Module product development begins. A new business plan is devised.
- 2016** The Company launches its third generation of air-to-water heat pumps in 2016. The first prototype of the Plug-in Module is installed at a client's premises. Cooperation with a Swegon AB10 subsidiary is established via a joint development project focusing on commercial air treatment. Energy Save has established non-exclusive distribution and partnership contracts with importers in 12 European countries by the end of 2016.
- 2017** NordFlex is launched in the Property Systems business area as a product concept in Sweden, and the Company enters into a distribution contract with Baxi in both the residential property segment and the property segment. ES Systems AB is formed, focusing on property systems. The organisation is built up in the fields of energy analysis, sales, building technology and production and industrialisation. Swegon launches ES HeatStar DX on the market in Poland.
- 201** REC Indovent AB launches a newly developed compact heat recovery unit for domestic ventilation combined with heat from Energy Save heat pumps. The Swedish Energy Agency decides to award funding to an innovative project involving Energy Save Plug-in Modules. Pre-series production of Plug-in Modules is established in China, and the fourth generation of air-to-water heat pumps with Energy Save's highest energy rating A+++ is fully developed and tested. A total of 10,000 air-to-water heat pumps have been sold by Energy Save since the Company began in 2009, of which 200 are the base product used by NordFlex for commercial properties. The build-up and expansion of ES Systems AB continues apace.
- 2019** Key recruitments and establishment of sales offices in Europe reinforce sales capacity. The client base of distributors in both the domestic heating and property heating segments expands. The beta version of the "system configurator" sales tool is launched among partners and distributors. This aims to drive and accelerate business. A strategically important partnership is initiated with BlueBox Srl, owned by Swegon AB. The parties intend to gradually build up this partnership, and trial deliveries take place. Industrialisation of Plug-in Modules reaches the start of pre-series production, and a Swedish patent is granted. Co-packaging of operational activities to support the commercial launch of Plug-in Modules for building heating is developed in collaboration with partners Jeff Electronics AB and AirWaterGreen AB.
- 2020** Ultra-quiet heat pumps using the highly efficient and eco-friendly new R32 refrigerant are launched. The digital Configurator sales and design tool is launched. Public launch of the Plug-in Module product offering, focusing on building heating and new construction. An international PCT patent for the Plug-in Module is granted in Europe. Version 1 of the Plug-in Module is in pre-series production and further versions of the model are at the pilot construction stage. The first Plug-in Modules are sold and commissioned. NordFlex is launched on the international distribution market. Energy Save is listed on the Spotlight Stock Market. Distributors are established in 18 countries. A framework agreement is concluded with Swegon Operations Srl. for the supply of heat pumps.
- 2021** The distribution network is expanded to include 23 countries. Series production of the prefabricated ES HeatBox Hydro 90 energy centre, a version of the patented Plug-in Module adapted specifically to meet the needs of the construction heating segment for drying and heating during construction, commences during the year. Series production of the Plug-in Module takes place at a facility in Falköping belonging to AQ Enclosure Systems, a subsidiary of AQ Group. The financial targets are achieved by a margin, with a consolidated turnover of SEK 114 million and breakeven achieved in the 2021/2022 fiscal year.
- 2022** The Group supplies products to clients in over 25 countries. Series production of Plug-in Modules is initiated. Supplementary versions of Plug-in Modules are launched. The Company conducts a directed issue of SEK 23.7 million before deduction of issue costs in order to fund its continued international expansion and establishment of new business models by means of a new business area that focuses on digitalisation. The objective for 2023/2024, to achieve a turnover in excess of SEK 200 million over a twelve-month period, will be achieved as early as the 2022/2023 fiscal year.
- 2023** Distribution partners are established for the United Kingdom and Germany. The Company conducts a directed issue of SEK 151.2 million before deduction of issue costs in order to reinforce the existing supply chain so as to ensure expansion capacity, build organisational capacity in product and project organisation and reinforce the Company's position in the United Kingdom and Germany. Energy Save becomes a technology partner of Aira, a company founded by Vargas, and signs a four-year licence agreement that includes provision of products and components. The distributor network is enhanced, and the number of markets in Europe increases to 28.

## Organisation

The Group has five offices. Two of these are situated in Sweden; head office in Alingsås, and a sales office in Västerås. There are also offices in Hvalstad (Norway), Maribor (Slovenia) and Kamionki (Poland). The Norway office conducts sales and product development, the Poland office coordinates the activities of consultants within the Hefos subsidiary, and the Slovenia office is a sales office where most of the Group's key account managers are based.

The geographical offices coincide with Group subsidiaries. The Group's head office in Alingsås is the registered office for the four Swedish companies.

The Company's management is based at the Alingsås office and is made up of senior management together with other senior executives who are jointly responsible for the organisation's sales organisation, product organisation, finance function, purchasing organisation, investor relations and administration. The Company employs 32 people as at 30 April 2023, including the executive team. The Group has an established partnership strategy, which is reflected in the Company's staffing in that ten or so consultants are employed on a full-time basis within the business in addition to its own personnel.



# Financial summary

The following section presents Energy Save's audited annual accounts for 2021/2022 and 2022/2023, as well as an unaudited interim report for the first quarter of 2023/2024 (May to July) with comparative figures for the corresponding period of the previous year. The annual accounts and interim report have been prepared as required by the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board, BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). The information set out below must be read in conjunction with the documents incorporated by reference in this Company Description.

## Condensed consolidated income statement

(SEKt)	1 May 2023– 31 July 2023	1 May 2022– 31 July 2022	1 May 2022– 30 April 2023	1 May 2021– 30 April 2022
	3 mths unaudited	3 mths cf. unaudited	12 mths audited	12 mths audited
<b>Operating income, etc.</b>				
Net revenue	27,427	51,367	297,570	107,667
Own work capitalised	1,722	847	5,427	3,730
Other operating income	205	338	-775	3,021
	<b>29,355</b>	<b>52,552</b>	<b>302,222</b>	<b>114,419</b>
<b>Operating expenses</b>				
Goods for resale	-21,508	-35,531	-205,125	-81,171
Other external costs	-8,383	-4,529	-27,542	-14,676
Payroll expenses	-6,788	-4,296	-22,125	-14,670
Depreciation/amortisation and impairment of tangible and intangible fixed assets	-1,378	-1,151	-4,728	-3,096
Other operating expenses	0	0	-125	0
	<b>-38,057</b>	<b>-45,506</b>	<b>-259,645</b>	<b>-113,613</b>
<b>Operating profit</b>	<b>-8,702</b>	<b>7,046</b>	<b>42,577</b>	<b>806</b>
<b>Profit from financial items</b>				
Other interest income and similar profit/loss items	24	0	0	0
Interest expenses and similar profit/loss items	-165	-256	141	10
	<b>-141</b>	<b>-256</b>	<b>-878</b>	<b>-717</b>
<b>Profit after financial items</b>	<b>-8,843</b>	<b>6,791</b>	<b>41,699</b>	<b>89</b>
<b>Profit before tax</b>	<b>-8,843</b>	<b>6,791</b>	<b>41,699</b>	<b>89</b>
Tax on profit for the period	0	0	-9,155	0
<b>Profit for the period</b>	<b>-8,843</b>	<b>6,791</b>	<b>32,544</b>	<b>89</b>
Attributable to:				
Parent company's shareholders	-7,911	6,782	32,870	1,456
Non-controlling interests	-932	9	-326	-1,366

## Condensed consolidated balance sheet

(SEKt)	31 July 2023	30 April 2023	30 April 2022
	3 mths unaudited	12 mths audited	12 mths audited
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Capitalised expenditure for development and similar work	23,414	22,818	21,849
Concessions, patents, licences, trademarks, etc.	1,243	1,102	1,000
	<b>24,657</b>	<b>23,921</b>	<b>22,849</b>
<b>Property, plant and equipment</b>			
Equipment, tools, fixtures and fittings	3,296	3,368	1,723
	<b>3,296</b>	<b>3,368</b>	<b>1,723</b>
<b>Financial fixed assets</b>			
Investments in associates and jointly controlled entities	78	78	78
Other non-current receivables	97,183	99,550	177
	<b>97,261</b>	<b>99,628</b>	<b>254</b>
<b>Total fixed assets</b>	<b>125,214</b>	<b>126,917</b>	<b>24,826</b>
<b>Current assets</b>			
Inventories, etc.			
Finished goods and goods for resale	96,482	96,981	28,606
Advances to suppliers	4,341	6,091	8,236
	<b>100,824</b>	<b>103,072</b>	<b>36,842</b>
<b>Current receivables</b>			
Accounts receivable	24,994	24,416	20,024
Other receivables	3,067	3,217	384
Prepaid expenses and accrued income	1,561	2,405	616
	<b>29,622</b>	<b>30,038</b>	<b>21,024</b>
<b>Cash and bank balances</b>	<b>14,060</b>	<b>28,756</b>	<b>20,952</b>
<b>Total current assets</b>	<b>144,505</b>	<b>161,867</b>	<b>78,818</b>
<b>TOTAL ASSETS</b>	<b>269,719</b>	<b>288,783</b>	<b>103,644</b>

## Condensed consolidated balance sheet

(SEkt)	31 July 2023	30 April 2023	30 April 2022
	3 mths unaudited	12 mths audited	12 mths audited
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16,348	16,348	14,504
Other capital contributions	194,646	194,646	51,813
Other equity including profit for the period	8,976	16,570	-16,183
<b>Equity attributable to parent company's shareholders</b>	<b>219,970</b>	<b>227,564</b>	<b>50,134</b>
Non-controlling interests	-758	174	499
<b>Total equity</b>	<b>219,212</b>	<b>227,738</b>	<b>50,633</b>
<b>Provisions</b>			
Guarantees	200	200	200
Deferred tax liability	2,060	2,060	0
<b>Total provisions</b>	<b>2,260</b>	<b>2,260</b>	<b>200</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	750	900	6,610
Other liabilities	1,830	169	5,684
<b>Total non-current liabilities</b>	<b>2,580</b>	<b>1,069</b>	<b>12,294</b>
<b>Current liabilities</b>			
Overdraft facility	11,899	4,256	8,341
Liabilities to credit institutions	13,600	1,350	5,719
Advances from clients	385	829	12,022
Trade payables	4,304	35,864	11,365
Current tax liability	6,733	7,549	428
Other liabilities	3,469	3,641	265
Accrued expenses and deferred income	5,277	4,228	2,377
<b>Total current liabilities</b>	<b>45,667</b>	<b>57,716</b>	<b>40,516</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>269,719</b>	<b>288,783</b>	<b>103,644</b>

## Condensed consolidated cash flow statement

(SEKt)	1 May 2023– 31 July 2023	1 May 2022– 31 July 2022	1 May 2022– 30 April 2023	1 May 2021– 30 April 2022
	3 mths unaudited	3 mths cf. unaudited	12 mths audited	12 mths audited
<b>Current operations</b>				
Operating profit	-8,702	7,046	42,577	806
Adjustments for items not included in cash flow	1,696	1,108	4,659	2,819
Interest received, etc.	24	0	141	10
Interest paid	-165	-256	-1,019	-721
Income tax paid	0	55	-9,155	355
<b>Cash flow from operating activities before changes in cash flow</b>	<b>-7,147</b>	<b>7,953</b>	<b>37,203</b>	<b>3,269</b>
<b>Cash flow from changes in working capital</b>				
Decrease (+)/increase (-) in inventories/work in progress	2,248	-32,848	-66,230	-18,995
Decrease (+)/increase (-) in trade receivables	-578	-6,542	-4,392	-15,484
Decrease (+)/increase (-) in receivables	994	241	-4,622	-266
Decrease (-)/increase (+) in trade payables	-32,004	36,646	13,306	20,837
Decrease (-)/increase (+) in current liabilities	1,722	3,601	8,894	-752
<b>Cash flow from operating activities</b>	<b>-34,765</b>	<b>9,051</b>	<b>-15,843</b>	<b>-11,391</b>
<b>Investment activities</b>				
Acquisition of capitalised expenditure for research, etc.	-1,793	-847	-5,427	-3,775
Acquisition of concessions, patents, licences, etc.	-141	-108	-102	-290
Acquisition of equipment, tools, fixtures and fittings	-108	-7	-1,963	0
New lending to third parties	-751	0	-1,773	0
Acquisition of non-current receivables*	2,367	0	-97,600	
<b>Cash flow from investment activities</b>	<b>-425</b>	<b>-962</b>	<b>-106,866</b>	<b>-4,065</b>
<b>Financing activities</b>				
New issue for the period	0	0	144,677	22,139
Group contributions	0	0	0	0
Long-term loans raised	13,000	0	5,340	4,000
Change in current financial liabilities	7,643	238	-4,085	5,300
Repayment of long-term loans	-150	-1,314	-15,418	-1,846
<b>Cash flow from financing activities</b>	<b>20,493</b>	<b>-1,076</b>	<b>130,513</b>	<b>29,593</b>
<b>Change in cash and cash equivalents</b>	<b>-14,697</b>	<b>7,012</b>	<b>7,804</b>	<b>14,137</b>
<b>Cash and cash equivalents at start of period</b>	<b>28,756</b>	<b>20,952</b>	<b>20,952</b>	<b>6,815</b>
<b>Cash and cash equivalents at end of period</b>	<b>14,060</b>	<b>27,964</b>	<b>28,756</b>	<b>20,952</b>

\* Refers to the investment of the proceeds from the directed issue that took place in February 2023.

## Key ratios

per cent	1 May 2023– 31 July 2023	1 May 2022– 2022-07-31	1 May 2022– 30 April 2023	1 May 2021– 30 April 2022
	3 mths unaudited	3 mths cf. unaudited	12 mths audited	12 mths audited
Gross margin, operating income	26.7	32.4	32.1	29.1
Gross margin, net revenue	21.6	30.8	31.1	24.6
EBITDA margin	-24.9	15.6	15.7	3.4
Operating margin (EBIT margin)	-29.6	13.4	14.1	0.7
Debt to equity ratio	81.3	38.4	78.9	48.7

**The ES EcoStation Plug-in Module**, designed for more permanent solutions, can be customised to blend in with the existing surrounding architecture. Examples include a brick façade to fit along the side of a church, to be sited on a roof in order to free up important useful space, or in a fairly simple solution creating a bicycle parking area next to the heat pump module in its casing.



# Comments on the financial position

The following presentation of the financial position of Energy Save must be read in conjunction with the documents incorporated by reference in this Company Description. Figures in brackets refer to the corresponding period in the previous fiscal year. The Company's fiscal year extends from May to April.

## Seasonal variations

Energy Save's activities and market are impacted by seasonal variations. The first quarter of the year is generally weaker than the rest of the nine-month period, and the second quarter is generally the strongest.

## May 2021–April 2022 (12 mths, audited)

### Net revenue

Net revenue for the year was up 95 per cent to SEK 107.7 million (55.1) compared to the previous year. This increase in turnover was largely because of increases in purchasing volumes among a number of distributors.

Net revenue increased during the year in the Scandinavian markets by 108 per cent to SEK 43.9 million (21.1) compared to the previous year, and in the other European markets by 88 per cent to SEK 63.7 million (34.0).

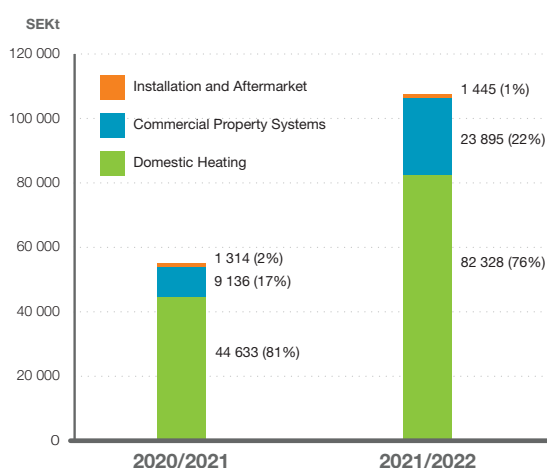
Denmark was by far the biggest of the Scandinavian markets, with net revenue of SEK 31.5 million, representing 72 per cent of the region's net revenue for the year, and 29 per cent of total net revenue. The biggest markets in the rest of Europe during the year were Finland, Czechia and Poland, which collectively had net revenue of SEK 39.9 million, representing 63 per cent of net revenue in the rest of Europe and 37 per cent of total net revenue.

Net revenue for the Commercial Property Systems business area for the year totalled SEK 23.9 million (9.1), representing an increase of 162 per cent compared with the previous year. Hence the business area's net revenue accounted for 22 per cent of total net revenue for the year (17).

Net revenue for the Domestic Heating business area increased by 84 per cent during the year to SEK 82.3 million (44.6) and accounted for 76 per cent (81) of total net revenue.

The Installation and Aftermarket business area had net revenue of SEK 1.4 million (1.3) during the year, representing 1 per cent of total net revenue (2).

Net revenue by business area



### Operating income

Operating income for the year increased by 93 per cent to SEK 114.4 million (59.2). Besides net revenue, this includes own work capitalised of SEK 3.7 million (3.7) and other operating income of SEK 3.0 million (0.5). Other operating income mainly comprises foreign exchange gains, which mainly arose in the fourth quarter, when the USD to SEK exchange rate strengthened, coinciding with the Company having relatively large trade receivables in relation to trade payables in USD.

### Gross profit

Gross profit for the year totalled SEK 33.2 million (18.8), up 77 per cent on the previous year. The gross margin fell slightly to 29.1 per cent (31.4), mainly on account of the increased percentage of factory-to-client deliveries in the second and third quarters, which helps to increase sales but generates a lower gross margin.

### Operating expenses and financial items

Other external costs increased by 17 per cent during the year to SEK 14.7 million (12.6), and payroll expenses increased by 24 per cent to SEK 14.7 million (11.9). The increase in other external costs comprises increased consultancy costs and non-recurring costs related to stock market activities. The



increase in payroll expenses occurred in the last two quarters, comprising retroactive bonus payments and increased recruitment costs.

Depreciation, amortisation and impairment of tangible and intangible fixed assets, consisting mainly of amortisation of internally accrued intangible assets, increased to SEK 3.1 million (1.3). The increase in amortisation has come about on account of the completion of internally accrued intangible assets comprising product concepts during the year, and making these available for sale.

Profit from financial items, mainly consisting of interest on bank loans, totalled SEK -0.7 million (-0.9) for the year.

### Profit

Operating profit (EBIT) for the year totalled SEK 0.8 million (-7.0), while EBITDA totalled SEK 3.9 million (-5.7). Profit for the period totalled SEK 0.1 million (-7.9). The increases in EBIT, EBITDA and profit for the period are mainly on account of the fact that the increase in gross profit was higher than the increase in other external costs, payroll expenses, depreciation/amortisation and impairment and financial items.

The number of shares at the end of the period was 5,801,710, up 966,950 following a directed new issue in the fourth quarter. Earnings per share totalled SEK 0.0 (-1.6).

### Financial position and liquidity

The Group's total assets as at 30 April 2022 totalled SEK 103.6 million, compared to SEK 53.9 million as at 30 April 2021. Of this, fixed assets accounted for SEK 24.8 million (24.0) and current assets for SEK 78.8 million (29.9). The Group's equity as at 30 April 2022 totalled SEK 50.6 million (28.8).

### Cash flow and cash and cash equivalents

Cash flow from operating activities during the year totalled SEK -11.4 million (-12.9), while cash flow from investing activities totalled SEK -4.1 million (-5.8). Cash flow from financing activities totalled SEK 29.6 million (23.2). Total cash flow (the total change in cash and cash equivalents) during the year totalled SEK 14.1 million (4.6). Operating cash flow totalled SEK -15.5 million (-18.7) during the year.

### Parent company

The parent company's net revenue for the May 2021–April 2022 fiscal year totalled SEK 2.5 million (1.4), while total operating income totalled SEK 3.2 million (1.6). Operating profit totalled SEK -2.2 million (-1.1), while the profit for the period totalled SEK -6.5 million (-5.1). The parent company's turnover is made up of intra-group services.

## May 2022–April 2023 (12 mths, audited)

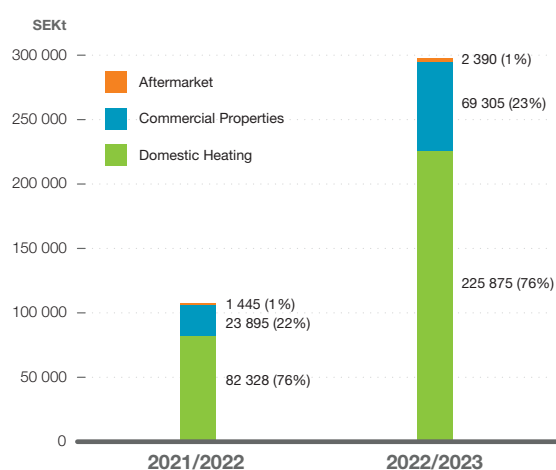
### Net revenue

Net revenue for the year was up 176 per cent to SEK 297.6 million (107.7) compared to the previous year. This increase in turnover was largely because of increases in purchasing volumes among a number of distributors.

Net revenue for the year in the Scandinavian market increased by 223 per cent to SEK 141.7 million (43.9). For the rest of Europe, net revenue increased by 145 per cent to SEK 155.8 million (63.7). Net revenue for the year in the Scandinavian market consisted mainly of sales to the Danish market totalling SEK 117.8 million, which corresponds to 83 per cent of net revenue in Scandinavia and 40 per cent of total net revenue. In the rest of Europe, Hungary was the biggest market during the year, with net revenue amounting to SEK 32.4 million. This represented 21 per cent of net revenue in the rest of Europe and 11 per cent of total net revenue. Other strong markets during the year were Finland and Czechia, which collectively had net revenues of SEK 54.9 million representing 35 per cent of sales in the rest of Europe and 18 per cent of total net revenue.

Net revenue for the Domestic Heating business area totalled SEK 225.9 million (82.3) during the year, representing an increase of 174 per cent. Net revenue for the Commercial Property Systems business area for the year increased by 190 per cent to SEK 69.3 million (23.9). The Aftermarket business area had a turnover of SEK 2.4 million (1.4). Of total net revenue, the Domestic Heating business area accounted for 76 per cent (76),

Net revenue by business area



the Commercial Property Systems business area for 23 per cent (22) and the Aftermarket business area for 1 per cent (1).

### Operating income

Operating income for the year totalled SEK 302.2 million (114.4), representing an increase of 164 per cent. Besides net revenue, operating income includes own work capitalised of SEK 5.4 million (3.7) and other operating income of SEK -0.8 million (3.0). Other operating income was negatively impacted in the second quarter, primarily by foreign exchange losses.

### Gross profit

Gross profit for the year totalled SEK 97.0 million (33.2), up 192 per cent on the previous year. The gross margin increased to 32.1 per cent (29.1). The increase in gross profit came about primarily due to the increase in net revenue.

### Operating expenses and financial items

Other external costs increased by 88 per cent during the year to SEK 27.5 million (14.7), and payroll expenses increased by 51 per cent to SEK 22.1 million (14.7). The increase in the cost base is due to the fact that the higher turnover and organisational changes have resulted in higher operating costs within the organisation. Additional costs for new appointments, recruitment costs and costs for consultants are examples of expenses that have helped to bring about the increase in both other expenses and payroll expenses.

Depreciation, amortisation and impairment of tangible and intangible fixed assets, consisting mainly of amortisation of internally accrued intangible assets, increased by 54 per cent to SEK 4.8 million (3.1). The increase in amortisation has come about on account of the completion of internally accrued intangible assets comprising product concepts during the year, and making these available for sale. Profit from financial items, mainly consisting of interest on bank loans, totalled SEK -0.9 million (-0.7) during the year.

### Profit

Operating profit (EBIT) for the year totalled SEK 42.6 million (0.8), while EBITDA totalled SEK 47.3 million (3.9). Profit for the period totalled SEK 32.5 million (-0.1). Profit margins were positively impacted by the fact that revenues increased proportionally more than payroll expenses and other expenses.

The number of shares at the end of the period was 6,539,161, up 737,451 following a directed new issue in the fourth quarter.

Earnings per share totalled SEK 5.0 before dilution (0.0), and SEK 5.0 after dilution (0.0).

### Financial position and liquidity

The Group's total assets amounted to SEK 288.8 million (103.6) as at 30 April 2023. Of this, fixed assets accounted for SEK 126.9 million (24.8) and current assets for SEK 161.9 million (78.8). The increase in fixed assets mainly comprises the investment of the proceeds from the directed issue that took place in February 2023, which increased other non-current assets in the balance sheet. The increase in current assets mainly comprises an increase in inventories.

### Equity

The Group's equity totalled SEK 227.7 million (50.6) as at 30 April 2023. Provisions totalled SEK 2.3 million (0.2), while liabilities totalled SEK 58.8 million (52.8).

### Cash flow and cash and cash equivalents

Cash flow from operating activities during the year totalled SEK -15.8 million (-11.4), and cash flow from investing activities totalled SEK -106.9 million (-4.1), of which the investment of the proceeds from the directed issue that took place in February 2023 (acquisition of non-current liabilities) totalled SEK -97.6 million (0.0). Cash flow from financing activities totalled SEK 130.5 million (29.6). Total cash flow (the total change in cash and cash equivalents) during the year totalled SEK 7.8 million (14.1). Operating cash flow totalled SEK -122.7 million (-15.5) during the year.

### Parent company

The parent company's net revenue for the May 2022–April 2023 fiscal year totalled SEK 8.6 million (2.5), while total operating income totalled SEK 11.9 million (3.2). Operating profit totalled SEK -3.0 million (-2.2), while the profit for the period totalled SEK -1.8 million (-6.5).



## First quarter 2023 (May–July, unaudited)

### Net revenue

Net revenue for the first quarter of the fiscal year totalled SEK 27.4 million (51.4). This is a decrease of 47 per cent compared with the same quarter of the previous fiscal year. One contributing factor to the decrease is the lower demand in the European heat pump market on account of lower gas prices and increased interest costs, which collectively reduce the willingness to invest in heat pumps. Compared to the previous quarter, net revenue fell by 44 per cent. This reflects the reduced appetite for investment in Europe combined with the seasonal variation between the last quarter of the previous fiscal year and the first quarter of the present fiscal year.

Net revenue in the Scandinavian market fell by 41 per cent to SEK 13.7 million (23.1) during the first quarter. Net revenue in Scandinavia fell by 41 per cent compared to the previous quarter. For the rest of Europe, net revenue fell by 51 per cent to SEK 13.8 million (28.2), while net revenue fell by 47 per cent compared to the previous quarter. Sales to the Swedish market, totalling SEK 11.1 million, accounted for most of the net revenue in the Scandinavian market, corresponding to 81 per cent of net revenue in Scandinavia and 41 per cent of total net revenue for the quarter. Sales to Denmark totalled SEK 2.6 million during the quarter, corresponding to 19 per cent of net revenue in Scandinavia and 9 per cent of total net



revenue for the quarter. Italy was the biggest market in the rest of Europe, with net revenue of SEK 4.2 million, representing 31 per cent of net revenue in the rest of Europe and 15 per cent of total net revenue. Another strong market during the quarter was Germany, which had net revenue of SEK 3.0 million, representing 21 per cent of net revenue in the rest of Europe and 11 per cent of total net revenue.

Net revenue for the Domestic Heating business area decreased year-on-year by 49 per cent to SEK 17.8 million

(34.9), and the decrease amounted to 53 per cent compared to the previous quarter. Net revenue for the Commercial Properties business area totalled SEK 9.2 million (16.1) during the quarter, representing a decrease of 43 per cent compared with the same quarter last year. The business area's net revenue fell by 12 per cent compared to the previous quarter. The Aftermarket business area had a turnover of SEK 0.5 million (0.4) during the quarter, SEK 0.1 million more than in the previous quarter. This is the first quarter in which spare part sales are included in the Aftermarket business area, which may result in misleading comparisons with previous periods. Of total net revenue, the Domestic Heating business area accounted for 65 per cent (68), the Commercial Properties business area for 33 per cent (31) and the Aftermarket business area for 2 per cent (1).

### Revenue

Operating income for the quarter totalled SEK 29.4 million (52.6), down 44 per cent compared to the first quarter last year. Besides net revenue, operating income comprises own work capitalised amounting to SEK 1.7 million (0.8), as well as other operating income, mainly comprising foreign exchange gains of SEK 0.2 million (0.3). Operating income fell by 44 per cent compared to the previous quarter.

### Gross profit

Gross profit for the quarter totalled SEK 7.8 million (17.0), the gross margin based on operating income decreasing to 26.7 per cent (32.4). The gross margin fell by 7.4 percentage points compared with the previous quarter. The gross margin based on net revenue fell to 21.6 per cent (30.8). The gross margin was negatively impacted by the fact that a portion of sales for the quarter consisted of deliveries of equipment to Aira in accordance with the technology development contract announced by Energy Save in June 2023. These deliveries are made for a payment equivalent to cost recovery and so generate little or no gross profit.

### Operating expenses and financial items

Other expenses for the quarter increased by 85 per cent during the year to SEK 8.4 million (4.5), and payroll expenses increased by 58 per cent to SEK 6.8 million (4.3). The increase in the cost base is due to organisational and operational adjustments that aim to increase the Company's capacity to handle a higher general level of turnover. Additional costs for new appointments, recruitment costs and costs for consultants are examples of expenses that have helped to bring about an increase in both other expenses and payroll expenses. Depreciation, amortisation and impairment of intangible fixed assets, consisting mainly of internally accrued intangible assets, increased by 20 per cent to SEK 1.4 million (1.2). The increase in amortisation is due to the fact that internally accrued intangible assets, comprising product concepts, were completed and made available for sale more extensively than in the comparison quarter. Financial items for the quarter mainly comprised interest on bank loans and totalled SEK -0.1 million (-0.3). Operating profit (EBIT) for the quarter totalled SEK -8.7 million (7.0), corresponding to an EBIT margin of -29.6 per cent (13.4). EBITDA totalled SEK -7.3 million (-8.2), while the profit for the period totalled SEK -8.8 million (6.8). Profit margins were negatively impacted by the fact that the relative increase in revenue during the quarter was less than the increase in the cost of goods sold, payroll

expenses and other expenses. The number of shares outstanding at the end of the quarter was 6,539,161 (5,801,710), and earnings per share totalled SEK -1.4 (1.2) before dilution and SEK -1.3 (1.2) after dilution.

### Financial position and liquidity

The Group's total assets amounted to SEK 269.7 million (149.6) as at 31 July 2023. Of this, fixed assets accounted for SEK 125.2 million (24.7) and current assets for SEK 144.5 million (125.0). The Group's equity totalled SEK 219.2 million (57.4) as at 31 July 2023. Provisions totalled SEK 2.3 million (0.2), while liabilities totalled SEK 48.2 million (92.0).

## Equity and net debt

The tables in this section show Energy Save's capitalisation and indebtedness as at 31 July 2023.

### Equity and interest-bearing liabilities

Amounts in SEk	31 July 2023
<b>Current liabilities</b>	
Against guarantee	0
Against collateral	25,499
Unsecured credits	20,168
<b>Total current liabilities</b>	<b>45,667</b>
<b>Non-current liabilities</b>	
Against guarantee	0
Against collateral	750
Unsecured credits	1,830
<b>Total non-current liabilities</b>	<b>2,580</b>
<b>Equity</b>	
Share capital	16,348
Other capital contributions	194,646
Translation reserve	0
Retained earnings including profit for the year	8,218
<b>Total equity</b>	<b>219,212</b>

### Cash flow and cash and cash equivalents

Cash flow from operating activities for the quarter totalled SEK -34.8 million (9.1). Cash flow from investing activities for the quarter totalled SEK -0.4 million (-1.0), while cash flow from financing activities totalled SEK 20.5 million (-1.1). Total cash flow (total change in cash and cash equivalents) for the quarter totalled SEK -14.7 million (7.0), while closing cash at the end of the period amounted to SEK 14.1 million (28.0). Operating cash flow for the quarter totalled SEK -35.2 million (8.1). The reduction of trade payables by SEK 32 million and the raising of long-term loans by SEK 13 million were the factors with the greatest impact on cash flow for the quarter.

### Net debt

Amounts in SEk	31 July 2023
A) Cash	14,060
B) Other cash and cash equivalents	0
C) Trading securities	95,233
<b>D) Liquidity (A+B+C)</b>	<b>109,293</b>
E) Current financial receivables	0
F) Short-term loans from credit institutions	24,899
G) Short-term portion of long-term loans	600
H) Other current liabilities	20,168
<b>I) Current liabilities (F+G+H)</b>	<b>45,667</b>
<b>J) CURRENT NET DEBT (I-E-D)</b>	<b>-63,566</b>
K) Long-term loans from credit institutions	750
L) Bonds issued	0
M) Other long-term loans	1,830
<b>N) Non-current liabilities (K+L+M)</b>	<b>2,580</b>
<b>O) NET DEBT (J+N)</b>	<b>-60,986</b>

## Significant events

There have been no significant events relating to the Company's financial position since the last interim report.

## Recent new share issues

Year	Issue amount	Subscription price	Purpose
2022	SEK 23.7 million	SEK 24.50	To fund continued international expansion and establishment of new business models via a new business area that focuses on digitalisation. The new business area is expected to increase competitiveness, improve margins, create new revenue streams, provide stronger positioning in respect of partners and provide a leading position in green building heating.
2023	SEK 151.2 million	SEK 205	To reinforce the existing supply chain so as to ensure expansion capacity, build organisational capacity within product and project organisation and strengthen the Company's position in the United Kingdom and Germany.

## Working capital

In the opinion of the Board of Directors, the existing working capital of around SEK 103 million is enough to meet the Company's needs for 12 months as of the first day of trading on the Nasdaq First North. Working capital refers to the Company's access to cash and cash equivalents in order to fulfil its payment obligations as they fall due for payment and does not include acquisitions or other expansion investments as these are intended to be funded by means of shares, cash, loans or a combination of the same.

## Financing

Energy Save is undergoing a phase of expansion, and hence reinvestment of profits in operations is prioritised. There are no further funding needs at the time of this Company Description. The proceeds from the directed issue that took place in February 2023 in order to fund the Company's operations are included in an item referred to in the balance sheet as other non-current receivables. However, funding through new share issues could, for instance, be realised in order to make strategic acquisitions or other expansion investments.

## Audit comments

There are no audit comments for the periods covered by the financial history.

## Functional currency and reporting currency

The parent company's functional currency is SEK, which is also the reporting currency for the parent company and the Group.

## Foreign currency

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rates applicable at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing day rate.

# Corporate governance

## Board of Directors

According to Energy Save's Articles of Association, the Board of Directors shall consist of no fewer than three and no more than ten directors, with no more than five deputy directors. The Company's Board of Directors is currently made up of seven directors and no deputy directors. The Board of Directors is based in the municipality of Alingsås. All directors are elected for the period until the end of the next Annual General Meeting.

The table below indicates the members of Energy Save's Board of Directors, the year in which they were first elected to the Board, their position, whether they are regarded as independent in relation to the Company and its executive and the Company's major shareholders, and their shareholding in the Company as at the date of the Company Description. The list below indicating other directorships does not include directorships in Energy Save or its Group.

Name	Position	Elected	Holdings <sup>38</sup>	Independence in relation to:	
				The Company and its executive	Major shareholders <sup>39</sup>
Per Wassén	Chairman of the Board	2020	· 25,000 class B shares · 20,000 warrants of series TO2 · 20,000 warrants of series 2023/2026:2	Yes	Yes
Bo Westerberg	Director	2019	· 140,577 class B shares · 20,000 warrants of series TO2 · 20,000 warrants of series 2023/2026:2	Yes	Yes
Christian Gulbrandsen	Director and Group Product Manager	2017	· 674,320 class A shares · 224,693 class B shares	No	No
Fredrik Sävenstrand	Director and Chief Executive Officer	2017	· 674,320 class A shares · 223,670 class B shares	No	No
Inge Olausson	Director	2017	· 34,000 class B shares · 20,000 warrants of series TO2 · 20,000 warrants of series 2023/2026:2	No	Yes
Julia Norinder	Director	2023	· 5,000 warrants of series 2023/2026:2	Yes	Yes
Maha Bou-Zeid	Director	2023	· 4,938 class B shares · 20,000 warrants of series 2023/2026:2	Yes	Yes

<sup>38</sup> Refers to own and related holdings by natural persons and legal entities and holdings through endowment insurance.

<sup>39</sup> "Major shareholders" means shareholders who directly or indirectly control ten per cent or more of shares or votes in ES Energy. If one company owns more than 50 per cent of shares, interests or voting rights in another company, the former is deemed to indirectly control the latter company's ownership in other companies.

### **Per Wassén**

Born in 1961. Chairman of the Board since 2021 and director since 2020.

Per Wassén holds an MSc in Engineering from Chalmers University of Technology and an MBA from the School of Business, Economics and Law at the University of Gothenburg. Per Wassén has previously been an Investment Director at Volvo Group Venture Capital AB, Chairman and Chief Executive Officer of Powercell Sweden AB (publ) and a director of AWA Sweden AB.

#### **Other current directorships:**

Director and Chief Executive Officer of Wé Corporations AB. Director of Impact Coatings AB (publ), Hexatronic Group AB, GU Ventures AB and member of the Royal Swedish Academy of Engineering Sciences.

#### **Holdings in the Company:**

25,000 class B shares, 20,000 warrants of series TO2 and 20,000 warrants of series 2023/2026:2.

### **Bo Westerberg**

Born in 1955. Director since 2019.

Bo Westerberg holds an MSc in Mechanical Engineering/Industrial Economics from KTH Royal Institute of Technology. Bo Westerberg has 40 years of experience from senior positions in international industrial companies and management consultancies such as Philips Elektronikin-dustrier, Maynard MEC Management Consulting and Ericsson AB. Bo Westerberg's previous positions include Chief Executive Officer of Indelec SA in Bilbao, Spain (an Ericsson subsidiary) and Vice President Corporate Sourcing for the Ericsson Group.

#### **Other current directorships:**

Chairman of the Board of Nötudden Capital AB and Nötudden Förvaltning AB. Director of Cuptronic Technology AB, Newtor Property Group AB, Nötudden Fastigheter AB, Nötudden Fastighetsutveckling AB, Nötudden Fyrislund 11:4 AB, Nötudden Fyrislund AB, Stadsudden Asken 18 AB, Stadsudden Asken 2 AB and Stadsudden Fastigheter AB. Deputy director of Irené Westerbergs Projekt AB, New Barrington & Rose Capital AB and Newtor Capital AB.

#### **Holdings in the Company:**

140,577 class B shares, 20,000 warrants of series TO2 and 20,000 warrants of series 2023/2026:2.

### **Christian Gulbrandsen**

Born in 1970. Director since 2017.

Christian Gulbrandsen studied mathematics, physics, electronics and defence training in the Swedish Armed Forces. Christian Gulbrandsen has previous work experience in sales, marketing and product development. Christian has previous experience as the Head of Sales, Marketing and Production for FOMA Norge AS.

#### **Other current directorships:**

Christian Gulbrandsen has no other current directorships.

#### **Holdings in the Company:**

674,320 class A shares and 224,693 class B shares.

### **Fredrik Sävenstrand**

Born in 1977. Director since 2017.

Fredrik Sävenstrand holds a degree in economics from Stockholm University and a law degree from Karlstad University. Fredrik Sävenstrand has experience of business development and concept development, mainly in the field of energy technology, along with experience from the heat pump market. Fredrik Sävenstrand is a co-founder of the Energy Save Group's organisation.

#### **Other current directorships:**

Director of Project Air AB.

#### **Holdings in the Company:**

674,320 class A shares and 223,670 class B shares.

### **Inge Olausson**

Born in 1957. Director since 2017.

Inge Olausson has a degree in economics from the University of Gothenburg. Inge Olausson has more than 30 years of experience from senior positions at international industrial companies such as SCA Hygien (Essity), Nobel Biocare, Mölnlycke Health Care and Stampen Media Group, and was the interim CTO for KappAhl AB. Mainly as CIO or COO, but also as CEO of subsidiaries within these groups.

#### **Other current directorships:**

Director of Olausson Konsult AB and management consultant for Olausson Konsult AB.

#### **Holdings in the Company:**

34,000 class B shares through the wholly owned company Olausson Konsult AB and 20,000 warrants of series TO2 and 20,000 warrants of series 2023/2026:2.

### **Julia Norinder**

Born in 1975. Director since 2023.

Julia Norinder holds a Master of Science in International Business Management from the School of Business, Economics and Law at the University of Gothenburg and has completed further education in business management and leadership. Julia Norinder has previously worked with leadership and complex changes in various roles over the past two decades, and has also worked as an author and lecturer. Julia Norinder's background is in management and organisational consulting. She was the Chief Executive Officer at the Preera consultancy and has been Head of HR and Communications at SIDA (the Swedish International Development Agency).

#### **Other current directorships:**

Director of Julia Norinder Consulting AB and deputy director of Peter Bergkvist Invest AB. Vice President for People and Sustainability at Zenseact AB. Lecturer and trainer in leadership development via Julia Norinder Consulting AB.

#### **Holdings in the Company:**

5,000 warrants of series 2023/2026:2.

### **Maha Bou-Zeid**

Born in 1983. Director since 2023.

Maha Bou-Zeid holds a Master of Science in Industrial Engineering and Management and a Master of Science in Industrial Marketing and Market Research, both from Linköping University. Maha Bou-Zeid has also attended a course in business administration at SSE Executive Education and director training at Novare. Maha Bou-Zeid has previously worked as Vice President & Head of Procurement at Ericsson, (where she was responsible for the Middle East and Africa), Executive Director and Head of Growth at Polarium and Executive Advisor at Univrses.

#### **Other current directorships:**

Director of Senior Material Holding Company (Europe) AB, Senior Material (Europe) AB, Power Circle AB and Maha Invest AB. Head of Region Sweden, Middle East and Africa at Business Sweden.

#### **Holdings in the Company:**

4,938 class B shares held privately and through related parties and 20,000 warrants of series 2023/2026:2 through the wholly owned company Maha Invest AB.

## Senior executives

The table below shows the name, current position, year of appointment and holding in the Company as at the date of the Company Description.

Name	Position	Employed since	Holdings <sup>40</sup>
Fredrik Sävenstrand	Director and Chief Executive Officer	2009	· 674,320 class A shares · 223,670 class B shares
Christian Gulbrandsen	Group Product Manager	2009	· 674,320 class A shares · 224,693 class B shares
Helena Wachtmeister	Chief Financial Officer	2018	· 6,000 class B shares
Yibo Zhao	Deputy CEO	2022	· 26,601 class B shares

### Fredrik Sävenstrand

Chief Executive Officer since 2020.

A presentation of Fredrik Sävenstrand can be found in the section above entitled “Board of Directors”.

### Christian Gulbrandsen

Group Product Manager since 2009 and Group employee since 2020.

A presentation of Christian Gulbrandsen can be found in the section above entitled “Board of Directors”.

### Helena Wachtmeister

Born in 1985. Chief Financial Officer since 2018.

Helena Wachtmeister holds a Bachelor’s degree in Business Administration from the School of Business, Economics and Law at the University of Gothenburg. Helena Wachtmeister founded the accountancy firm Företagarnas Redovisning Väst AB (FRV) and has previous experience as financial officer at Welcom i Göteborg AB and as accounting officer at Bil Nilsson i Alingsås AB.

**Other current directorships:** Director and accounting assignments at Företagarnas Redovisning Väst AB.

**Holdings in the Company:** 6,000 class B shares.

### Yibo Zhao

Born in 1985. Deputy CEO since 2023 and Company employee since 2022.

Yibo Zhao holds a Master’s degree in Business Administration from the School of Business, Economics and Law at the University of Gothenburg. Yibo has previous experience as Business Manager of Powercell Sweden AB (publ) and as Chief Executive Officer of the Powercell Sweden AB (publ) subsidiary Powercell Fuel Cell Shanghai Co. Ltd. in China.

**Other current directorships:** Director of Sweden-China Trade Council Ekonomisk Förening.

**Holdings in the Company:** 26,601 class B shares.

<sup>40</sup> Refers to own and related holdings by natural persons and legal entities and holdings through endowment insurance.



## Other information on the Board of Directors and senior executives

There are no relationships or family or other close ties between the Company's directors and senior executives. No director or senior executive has been convicted in cases relating to fraud in at least the last five years. Moreover, no regulatory or supervisory authority (including recognised professional bodies) has officially charged any director or senior executive with a crime in at least the last five years. No director or senior executive has been involved in the bankruptcy, liquidation or receivership of any company in the last five years. No director or

senior executive has been disqualified by a court from being a member of the administrative, management or supervisory body of an issuer or from exercising managerial or supervisory functions in the Company in at least the last five years.

All directors and senior executives can be contacted via the Energy Save office at Nitgatan 2, SE-441 38 Alingsås, Sweden.

## Remuneration of the Board of Directors and senior executives

The table below shows the remuneration received by directors and senior executives for the 2022/2023 fiscal year (1 May 2022 to 30 April 2023). All amounts are stated in SEK.

Name	Basic salary / Directors' fees	Pension cost	Other remuneration	Total
Per Wassén	142,000	–	–	142,000
Bo Westerberg	106,500	–	–	106,500
Inge Olausson	106,500	–	680,920 <sup>41</sup>	787,420
Julia Norinder	–	–	–	– <sup>42</sup>
Maha Bou-Zeid	–	–	–	– <sup>43</sup>
Fredrik Sävenstrand	1,090,836	187,301	109,969	1,388,106
Other senior executives	2,113,080	162,836	240,500	2,516,416
<b>Total</b>	<b>3,558,916</b>	<b>350,137</b>	<b>1,031,389</b>	<b>4,940,442</b>

## Auditor

The Company's auditor is RSM Göteborg AB. Patrik Högström has been the principal auditor throughout the period covered by the historical financial information in the Company Description.

<sup>41</sup> Refers to remuneration for consultancy services to Inge Olausson's wholly owned Company Olausson Konsult AB. Please see the section entitled "Transactions with associates" below for more information.

<sup>42</sup> Julia Norinder was elected as a new director of the Company on 31 August 2023, which means that she received no directors' fees during the 2022/2023 fiscal year.

<sup>43</sup> Maha Bou-Zeid was elected as a new director of the Company on 31 August 2023, which means that she received no directors' fees during the 2022/2023 fiscal year.

# Share capital and ownership structure

## General information

According to the Company's Articles of Association, the share capital may be no less than SEK 8,000,000 and no more than SEK 32,000,000, and the number of shares may be no less than 3,684,760 and no more than 14,739,040.

At the time of the Company Description, the Company's share capital totalled around SEK 16,347,893, divided into 1,348,640 class A shares and 5,190,521 class B shares. The shares are denominated in SEK, and every share has a quotient value of around SEK 2.50.

The shares in the Company have been issued in accordance with Swedish law. All issued shares are fully paid up and freely transferable.

The shares admitted to trading on the Nasdaq First North are not subject to any offer made pursuant to a mandatory bid, redemption right or redemption obligation. Nor have any public takeover bids been made for the shares in the current or the previous fiscal year.

## Rights attached to the Company's shares

Class A shares carry ten (10) votes per share, while class B shares carry one (1) vote per share. Shareholders normally have preferential rights to subscribe for new shares, warrants and convertible bonds in accordance with the Swedish Companies Act (2005:551), unless the general meeting of shareholders, the Board of Directors (subject to the approval of the general meeting of shareholders) or the Board of Directors (based on the authorisation of the general meeting of shareholders) decides to deviate from shareholders' preferential rights.

Every share carries equal rights to the Company's assets and profits. In the event of liquidation of the Company, shareholders will be entitled to a share of the surplus in proportion to the number of shares held by the shareholder. There are no restrictions on the transferability of shares.

## Dividends

Historically, the Company has not paid dividends to shareholders and has no dividend policy. Future dividends will be decided by the general meeting of shareholders, taking into account other strategic considerations. As a general rule, shareholders may not make decisions on dividends of amounts greater than those proposed or approved by the Board of Directors. Shareholders who are registered in the shareholder register kept by Euroclear on the record day established by the general meeting of shareholders will be entitled to dividends. If shareholders cannot be contacted in order to receive dividends, the shareholder's claim against the Company will remain and be limited only by general rules relating to termination of financial obligations. The claim will generally expire after ten years. The entire dividend amount will accrue to the Company in the event of termination of financial obligations.

Energy Save is undergoing a phase of expansion, and hence reinvestment of profits in operations is prioritised. Energy Save's objective is to pay dividends when its financial circumstances allow.

## Trading in the Company's class B shares

The Company's class B shares have been admitted to trading on the Spotlight Stock Market since 30 September 2020, under the trading name ESGR B. The first day of trading on the Nasdaq First North is 6 October 2023 under the same trading name.

## Central share register and ISIN numbers

The Energy Save shares issued are registered in electronic form in accordance with the reconciliation provisions in the Articles of Association. No physical share certificates exist, therefore. The shareholder register is maintained by Euroclear Sweden AB, address Box 191, SE-101 23 Stockholm, Sweden. The ISIN code of the class B share is SE0014428447.

## Share capital development

Year	Event	Preference share increase (pcs)	Increase in class B/ordinary shares (pcs)	Increase in class A shares (pcs)	Preference shares (pcs)	Class A shares (pcs)	Class B/ordinary shares (pcs)	Total (pcs)	Increase in share capital (SEK)	Share capital (SEK)	Quotient value (SEK)
2017	Formation of the Company	0	1,000	0	0	0	1,000	1,000	50,000	50,000	50
2017	Issue in kind	132,034	0	0	32,034	0	1,000	133,034	6,601,696	6,651,696	50
2018	New share issue	0	14,781	0	32,034	0	15,781	147,815	739,050	7,390,746	50
2019	New share issue	0	36,423	0	132,034	0	52,204	184,238	1,821,149	9,211,894	50
2020	Reclassification: preference share to ordinary share	-132,034	132,034	0	0	0	184,238	184,238	0	9,211,894	50
2020	Reclassification to class A shares	0	-67,432	67,432	0	67,432	116,806	184,238	0	9,211,894	50
2020	Split 20:1	0	2,219,314	1,281,208	0	1,348,640	2,336,120	3,684,760	0	9,211,894	2.5
2020	New share issue	0	1,000,000	0	0	1,348,640	3,336,120	4,684,760	2,499,998	11,711,893	2.5
2020	Over-allocation option	0	150,000	0	0	1,348,640	3,486,120	4,834,760	375,000	12,086,893	2.5
2022	New share issue	0	966,950	0	0	1,348,640	4,453,070	5,801,710	2,417,273	14,504,266	2.5
2023	New share issue	0	737,451	0	0	1,348,640	5,190,521	6,539,161	1,843,626	16,347,893	2.5

## Share-based incentive programmes

A decision was made at the Annual General Meeting on 18 August 2020 on an incentive programme aimed at directors, comprising 120,000 warrants of series TO2. Every warrant entitles the holder to subscribe for one class B share at a subscription price of SEK 35 per class B share. These warrants can be exercised between 6 November 2023 and 17 November 2023. Of the 120,000 warrants of series TO2, 80,000 have been transferred to participants in the incentive programme, while the remaining 40,000 warrants of series TO2 are held by the Company. There will be a dilution of around 1.21 per cent of the number of shares and around 0.43 per cent of the number of votes if all 80,000 warrants of series TO2 that have been transferred to participants are exercised in full.

A decision was made at the Extraordinary General Meeting held on 24 November 2022 to provide an incentive programme for current and future key personnel in senior positions and other Group personnel, comprising 120,000 warrants of series TO3. Every warrant entitles the holder to subscribe for one class B share at a subscription price of SEK 249.19 per class B share. These warrants can be exercised between 13 October 2024 and 24 October 2024. Of the 120,000 warrants of series TO3, 60,000 have been transferred to participants in the incentive programme, while the remaining 60,000 warrants of series TO3 are held by the Company. There will be a dilution of around 0.91 per cent of the number of shares and around 0.32 per cent of the number of votes if all 60,000 warrants of series TO3 that have been transferred to participants are exercised in full.

A decision was made at the Annual General Meeting held on 31 August 2023 to introduce an incentive programme consisting of warrants of series 2023/2026:2 for certain members of the Company's Board of Directors. 85,000 warrants were subscribed for under this programme, which, when fully allotted, will give holders the opportunity to subscribe for a total of 85,000 class B shares in the Company. Every warrant entitles the holder to subscribe for one class B share at a price of SEK 135.18 per class B share. These warrants can be exercised between 7 December 2026 and 21 December 2026. There will be a dilution of around 1.28 per cent of the number of shares and around 0.45 per cent of the number of votes if all warrants are allotted and exercised in full.

A decision was made at the Annual General Meeting held on 31 August 2023 to introduce a stock option programme for Company employees, based on warrants of series 2023/2026:1. This programme comprises no more than 140,000 employee stock options which, upon full allocation, will give holders the opportunity to subscribe for a total of 140,000 class B shares in the Company based on the current warrants of series 2023/2026:1. Every warrant entitles the holder to subscribe for one class B share at a price of SEK 135.18 per class B share. Earned employee stock options can be exercised between 7 December 2026 and 21 December 2026. There will be a dilution of around 2.10 per cent of the number of shares and around 0.74 per cent of the number of votes upon allotment of all employee stock options and full exercise of the underlying warrants of series 2023/2026:3.

## Warrants and convertible loans

The Company has no outstanding warrants or convertible loans apart from the above incentive programmes.

## Authorisation

At the Annual General Meeting held on 31 August 2023, the Board of Directors was authorised, on one or more occasions during the period up to and including the next Annual General Meeting, to make decisions on a new issue of shares and/or warrants and/or convertibles against cash payment and/or with a provision for non-cash payment or set-off or otherwise with conditions and hence to deviate from shareholders' preferential rights.

The number of shares that may be issued and, respectively, the number of shares that may be subscribed for with the support of option rights to subscribe for new shares and the number of shares to which convertible bonds shall entitle conversion shall total no more than 726,570 new shares, corresponding to a dilution of around 10 per cent.

## Ownership structure

The table below shows the Company's shareholders holding no less than 5 per cent of shares or votes as at 31 July 2023. As far as the Board of Directors is aware, there are no shareholder agreements or other agreements between any of the Company's shareholders which seek joint influence over the Company or any other agreements that could result in a change in control of the Company.

Name	Number of class A shares	Number of class B shares	Capital (%)	Votes (%)
Christian Gulbrandsen	674,320	224,693	13.75	37.31
Fredrik Sävenstrand through Project Air AB	674,320	223,670	13.73	37.31
Nordea Fonder	0	383,985	5.87	2.06
Handelsbanken Fonder	0	336,043	5.14	1.80
Other shareholders (approx. 3,000)	0	4,022,130	61.51	21.54
<b>Total</b>		<b>5,190,521</b>	<b>100.00</b>	<b>100.00</b>

## Lock-up commitments

Fredrik Sävenstrand, Christian Gulbrandsen and Annette Wallén have undertaken not to sell any shares in Energy Save until 14 August 2024, with customary exceptions.

## Certified Advisor

Redeye AB is the Company's Certified Advisor. Redeye AB (through RHQ Specialfond) owns 25,820 shares in Energy Save, which corresponds to 0.39 per cent of capital and 0.14 per cent of votes.

## Liquidity provider

The Company has no liquidity provider.

## Tax matters

Investors should note that tax legislation in the investor's Member State and the Company's country of incorporation (Sweden) may affect any income from securities. Investors are urged to consult their independent advisors in respect of the tax consequences that may arise when investing in the Company.

# Legal structure

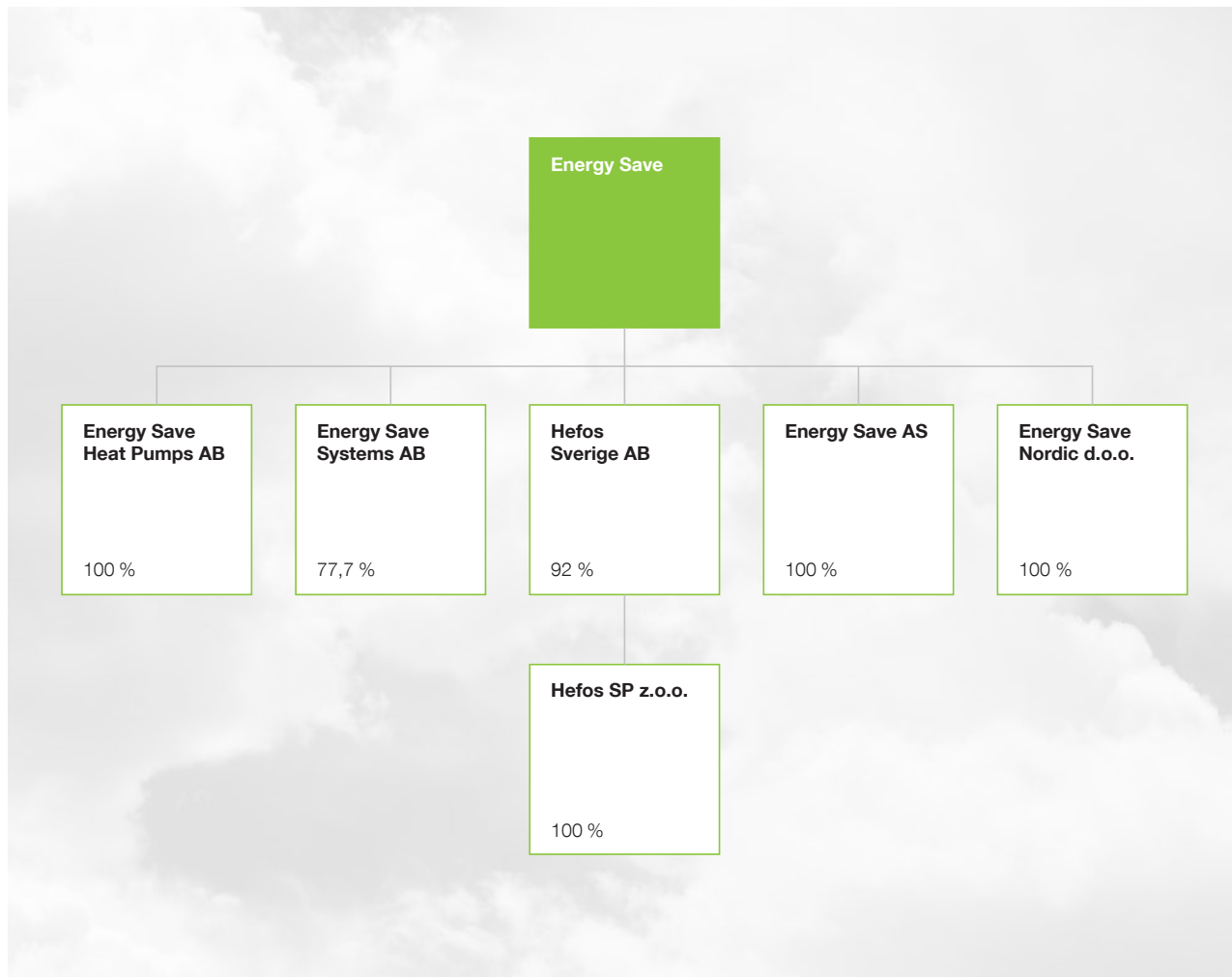
## General

The Company's name is ES Energy Save Holding AB (publ), corporate registration number 559117-1292. The Company is a Swedish public limited liability company registered with the Swedish Companies Registration Office on 29 June 2017 and operates under Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551), and shareholders' rights associated with the ownership of shares can only be amended in accordance with these regulations. The Company is also a CSD-registered company, and its shareholder register is maintained by Euroclear Sweden AB.

According to the business purpose stated in the Energy Save Articles of Association, the Company shall develop, produce, import, design, install and sell heat pumps and heat pump-related products through subsidiaries with a view to saving energy, owning intangible assets such as patents and software and owning and managing property, shares and participations in subsidiaries and associated companies and activities compatible therewith.

## Group

Besides to Energy Save, which is the parent company, the Group also includes the wholly owned subsidiaries Energy Save Heat Pumps AB, Energy Save AS (Norway) and Energy Save Nordic d.o.o. (Slovenia), as well as the partially owned subsidiaries HEFOS Sverige AB (92 per cent holding) and ES Systems AB (77.7 per cent holding). In turn, the Company's subsidiary HEFOS Sverige AB wholly owns the subsidiary Hefos SP z.o.o. (Poland). A diagram showing the Group and brief information on each subsidiary are provided below.



### **Energy Save Heat Pumps AB**

ES Heat Pumps AB, corporate registration number 556784-6505, is a wholly owned Swedish subsidiary of the Company and is responsible for the Group's collective product purchases of heat pumps from Zhongshan Amitime Electric Co., Ltd. in China, bearing responsibility for inventory maintenance and delivery to clients. ES Heat Pumps supplies ongoing operational services and support functions to other Group companies, such as finance and office functions, funding and marketing support, etc. and is responsible for the Domestic Heating business area.

### **HEFOS Sverige AB and its subsidiary Hefos SP z.o.o.**

Swedish subsidiary HEFOS Sverige AB, corporate registration number 556939-1310, which is 92 per cent owned by Energy Save, conducts internal and external installation and servicing activities and supports the property systems and domestic heating segments. In turn, HEFOS Sverige AB wholly owns the Polish subsidiary Hefos Sp z.o.o., the main purpose of which is to organise and conduct manpower procurement activities, thereby ensuring that the company has the right capacity in respect of long-term service technicians in order to meet the needs of the Group's Nordic operations.

### **Energy Save AS**

Energy Save AS, corporate registration number 991347194, is a wholly owned Norwegian subsidiary of the Company, with offices in Oslo. Energy Save AS is a sales company and acts as the Company's distributor in Norway, with direct sales to the installation sector.

### **Energy Save Nordic d.o.o.**

Energy Save Nordic d.o.o., corporate registration number 851 248 5000, is a wholly owned Slovenian subsidiary of Energy Save and is based in Maribor in Slovenia. This constitutes the Group's European sales office. Its operations are run via Key Account Managers who are responsible for regional marketing and sales on the basis of the Group's overall product portfolio, plus an administrator. Energy Save Nordic d.o.o. also acts as the Company's distributor on the market in Slovenia, selling directly to the installation sector.

### **ES Systems AB**

Energy Save owns 77.7 per cent of shares in Swedish subsidiary ES Systems AB, corporate registration number 556867-7974. ES Systems AB conducts product and business development activities in the property systems segment. The company has staff with specialist expertise in industrialisation and design, and also in the construction and property sector.

## **Significant contracts**

Other than the contracts described below, Energy Save has not entered into any contract of material significance during the period covered by the historical financial information in the Company Description, i.e. from 1 May 2021 up to and including the date of the Company Description, except for contracts in the ordinary course of business.

### **Partnership contract with Zhongshan Amitime Electric Co., Ltd.**

Energy Save entered into a partnership contract with Zhongshan Amitime Electric Co., Ltd. ("Amitime") in April 2020, which gives Energy Save the exclusive right to distribute Amitime products in the Nordic region and the right to sell and market Amitime products on a global scale. Moreover, Energy Save is entitled but not obliged to purchase products from Amitime. This partnership contract will remain in force until March 2025 and can then be extended for three-year periods unless either party terminates the contract one year before it expires.

### **Development contracts and licence contracts**

Energy Save entered into a development contract with Heatly AB (the energy tech Company Aira ("Aira")) in 2023 with a view to developing Energy Save's current product portfolio relating to heat pump systems. This contract will remain valid until Energy Save heat pump systems reach agreed levels, but it may be terminated under certain conditions before then.

Energy Save has also entered into a licence contract with Aira in 2023 whereby Energy Save has undertaken to supply Aira with Energy Save products, while Aira in turn has undertaken to purchase such products from Energy Save. The first delivery will take place in 2023, provided that such products have been developed as set out in the development contract. The licence contract will remain valid for four years and will be extended automatically for one year unless either party terminates the contract. The contract may also be terminated under certain conditions before it expires.

### **Partnership contract with EI-Björn AB**

Energy Save entered into a partnership contract with EI-Björn AB ("EI-Björn") in April 2023 under which the parties aim to cooperate in order to create opportunities for the parties to develop their respective operations and create synergies by means of a jointly packaged product and service offering focused on the construction sector. Under this contract, the parties undertake to promote aspects such as the sale of Energy Save's Plug-in Modules for rental and sale, as well as the sale of energy to construction sites in the Swedish, Norwegian and Finnish markets. According to this contract, EI-Björn undertakes to order and suborder no fewer than eight Plug-in Modules for delivery in the 2023 calendar year. This partnership contract will remain valid until June 2024 and must be terminated three months prior to the end of the contract period, otherwise it will remain valid on an ongoing basis with a joint notice period of six months.

### **Framework agreement with Skanska Rakennuskone Oy**

In December 2021, Energy Save entered into a framework agreement with Skanska Rakennuskone Oy ("Skanska Rakennuskone"), part of Skanska Rental AB, which hires out machinery and equipment for construction sites. This framework agreement relates to prefabricated heat pump modules for temporary heating. Energy Save is the supplier under the contract, and Skanska Rakennuskone and its group are entitled to order prefabricated heat pump modules for temporary heating for an agreed price for an initial 14-month period, with price levels adjusted subsequently. This contract

will remain valid until further notice and has a mutual notice period of one month.

## Trademarks and patents

The Group has a total of three (3) granted Swedish patents, one (1) European patent validated in a total of 21 European countries (including Sweden), one (1) US patent and one (1) Chinese patent as at the date of the Company Description. The Group also owns six (6) registered trademarks and domain names in markets in which the Company operates. The Group's patents and trademarks are presented in the tables below.

### Patent

Title	Region	Publication number	Submission date	Expiry date <sup>44</sup>	Owner	Status
Heat pump apparatus module	Sweden	SE541964	2016-07-12	2036-07-12	ES Energy Save Holding AB	Active
Heat pump apparatus module	Sweden	SE541965	2016-07-12	2036-07-12	ES Energy Save Holding AB	Active
Heat pump apparatus module	Sweden	SE541960	2016-07-12	2036-07-12	ES Energy Save Holding AB	Active
Värmepumpapparatmodul	Sweden	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Norway	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Netherlands	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Italy	EP3485200 / 502020000102466	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Ireland	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	United Kingdom	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	France	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Finland	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Spain	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Denmark	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Germany	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Switzerland Liechtenstein	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Belgium	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Austria	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Czechia	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Hungary	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Lithuania	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Poland	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Slovakia	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Slovenia	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	Turkey	EP3485200	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	China	CN109564018	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active
Heat pump apparatus module	US	US11262111	2017-07-07	2037-07-07	ES Energy Save Holding AB	Active

<sup>44</sup> The expiry date stated requires the annual fee to be paid every year.

## Trademarks

Trademark	Type	Country/area	Registration number	Owner	Status
• EIS ENERGY SAVE	Figurative mark	EU and Turkey (IR)	1040495	ES Energy Save Holding AB	Active
• EIS ENERGY SAVE	Figurative mark	United Kingdom	1040495	ES Energy Save Holding AB	Active
• EIS ENERGY SAVE	Figurative mark	Norway	253501	ES Energy Save Holding AB	Active
• EIS ENERGY SAVE	Figurative mark	China	8826976	Energy Save AS	Active
ECO2STATION	Verbal trademark	Sweden	542016	ES Energy Save Holding AB	Active
NORDFLEX	Verbal trademark	Sweden	542056	ES Energy Save Holding AB	Active

## Transactions with associates

No further transactions with associates have taken place during the period covered by the historical financial information in the Company Description, i.e. from 1 May 2021 up to and including the date of the Company Description, except as set out below. The Company is of the opinion that all transactions were conducted on market terms.

Energy Save AS sold a company car to director and Group Product Manager Christian Gulbrandsen for NOK 424,110 in December 2021. The price corresponded to the value established by a third-party valuation obtained.

Energy Save and the Group purchase consultancy services from Olausson Konsult AB, which is a wholly owned company of director Inge Olausson. These consultancy services involve Inge Olausson heading a steering committee that controls the work of the Company's digital business area, participating in project management and negotiations in respect of digital services to the Company's ODM (Original Design Manufacturer) and OEM (Original Equipment Manufacturer) clients, and acting as chair of the steering committee on behalf of the Chief Executive Officer for certain specific major strategic projects. Remuneration for these consultancy services totalled SEK 680,920 during the 2022/2023 fiscal year (1 May 2022 to 30 April 2023). The Group has paid a total of SEK 247,800 for the abovementioned consultancy services during the period from 1 May 2023 up to and including the date of the Company Description.

## Regulatory proceedings, legal proceedings and arbitration proceedings

Energy Save has not been party to any regulatory proceedings, legal proceedings or arbitration proceedings in the last two years. As far as the Company is aware, there are no ongoing or pending (i) legal disputes or proceedings in court or arbitration board, (ii) other claims made by or against the Company or any Group company, (iii) disputes with authorities in respect of taxes and fees, for instance, or (iv) government investigations and audits.

## Conflicts of interest

None of the directors or senior executives have been elected or appointed as a result of special agreements with major shareholders, clients, suppliers or other parties.

There are no conflicts of interest or potential conflicts of interest between the commitments of directors and senior executives in respect of the Company and their private interests and/or other commitments. However, some directors and senior executives have financial interests in Energy Save through holdings of shares and warrants, as set out in the section entitled "Corporate governance".

None of the directors or senior executives are subject to any restrictions in respect of their ability to dispose of their holdings in the Company, other than as set out in the section entitled "Lock-up".



# Supplementary information

## Documents incorporated by reference

Besides this document, this Company Description is made up of the following documents, which are hereby incorporated by reference and are to be read as part of the Company Description:

### **Annual report relating to the 2021/2022 fiscal year**

Income statement (p. 29)

Balance sheet (pp. 30–31)

Cash flow statement (p. 32)

### **Annual report for the 2022/2023 fiscal year**

Income statement (p. 33)

Balance sheet (pp. 34–35)

Cash flow statement (p. 36)

### **Interim report relating to the first quarter of 2023/2024 (May–July)**

Income statement (p. 16)

Balance sheet (pp. 17–18)

Cash flow statement (p. 19)

The above documents are available to view on the Company's website, [www.energysave.se](http://www.energysave.se).

# Articles of Association

Adopted at the general meeting in March 2020.

## Section 1 Company name

The Company's name is ES Energy Save Holding AB (publ).

## Section 2 Registered office

The registered office of the Board of Directors shall be in the municipality of Alingsås in the county of Västra Götaland.

## Section 3 Operations

The Company shall develop, produce, import, design, install and sell heat pumps, heat pump equipment and heat pump systems through subsidiaries with a view to saving energy, owning intangible assets such as patents and software and owning and managing property, shares and participations in subsidiaries and associated companies and activities compatible therewith.

## Section 4 Share capital

The share capital shall be no less than SEK 8,000,000 and no more than SEK 32,000,000.

## Section 5 Number of shares

The number of shares shall be no fewer than 3,684,760 and no more than 14,739,040.

## Section 6 Class of shares

Shares shall be issued in two series, class A shares and class B shares. Class A shares carry ten (10) votes per share, while class B shares carry one (1) vote per share. Shares of each class may be issued in a number equal to the entire share capital.

If a decision is made by the Company to issue new shares by way of a cash issue or set-off issue, old shares shall give preferential rights to new shares of the same class in proportion to the number of shares previously held by the holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential rights). If the shares thus offered are not sufficient for subscription with subsidiary preferential rights, the shares shall be distributed among subscribers in proportion to the total number of shares which they already own in the Company. Allocation shall take place by the drawing of lots insofar as that this cannot be done in respect of a particular share/shares.

If a decision is made by the Company to issue shares of only one class by way of a cash issue or set-off issue, all shareholders, regardless of the class of shares, shall have preferential rights to subscribe for new shares in proportion to the number of shares which they previously held.

The above does not imply any limitation of the possibility to approve a cash issue or set-off issue that deviates from shareholders' preferential rights.

The provisions set out above regarding shareholders' preferential rights shall apply mutatis mutandis to the issue of warrants and convertibles.

In the event of an increase in the share capital by means of a bonus issue, new shares of each share class are to be issued in relation to the number of shares of the same class that were issued previously. Hence old shares of a certain share type shall carry preferential rights for new shares of the same class. The above shall not imply any limitation of the opportunity to issue shares of a new class by means of a bonus issue, following the requisite alteration of the Articles of Association.

## Section 7 Board of Directors

The Board of Directors shall comprise no fewer than three and no more than ten members, with no more than five deputy directors. The directors and deputy directors of the Board of Directors are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting.

## Section 8 Auditors

The Company shall have 1 or 2 auditors with no more than 2 deputy auditors or a registered audit firm.

## Section 9 Notice of meeting and prior notification

Notice of a general meeting shall be published in Post- och Inrikes Tidningar and by making the notice available to view on the company's website. The Company shall announce in Dagens Industri that the notice to attend has been issued at the same time as the notice to attend is issued.

Shareholders who wish to participate in the proceedings at the general meeting of shareholders shall notify the Company no later than the date indicated in the notice that convenes the general meeting of shareholders. The latter date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and it may not fall earlier than the fifth weekday prior to the meeting.

## Section 10 Matters at the Annual General Meeting

The following matters shall be discussed at the Annual General Meeting:

1. Election of a chairman for the general meeting of shareholders
2. Preparation and approval of the voting register
3. Election of one or two people to verify the minutes
4. Examination of whether the meeting has been duly convened
5. Approval of the agenda
6. Presentation of the annual report and auditor's report
7. Resolution
  - a) on the adoption of the income statement and balance sheet
  - b) on appropriation in respect of the Company's profit or loss in accordance with the adopted balance sheet
  - c) on the discharge of directors and the Chief Executive Officer from liability
8. Determination of remuneration to directors and auditor
9. Election of the Board of Directors and auditor
10. Any other business on which the meeting is required to make decisions pursuant to the Swedish Companies Act (2005:551) or the Articles of Association.

## Section 11 Fiscal year

The Company's fiscal year shall run from 1 May to 30 April

## Section 12 Record day provision

The Company's shares shall be registered in a CSD register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) (record day provision).



## ES Energy Save Holding AB

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