

INTERIM REPORT

PARANS SOLAR LIGHTING AB (PUBL) 556628-0649

JANUARY – MARCH 2021

PARANS

Focus on China, subsidiary established

KEY FIGURES FIRST QUARTER

All comparative figures refer to the corresponding period last year

- > Net sales reached 2,463 kSEK (199)
- > Profit/loss totaled -6,160 kSEK (-3,860)
- > Earnings per share: -0,06 SEK (-0,07)
- > Number of shares: 105,035,562 (56,793,893)
- > Cash and bank balances: 20,589 kSEK (7,105)

SIGNIFICANT EVENTS DURING FIRST QUARTER

- > During the first quarter, the company has made a number of shifts in terms of management. On 23 March, an extra ordinary general meeting was held whereby a partly new board of directors was elected, with Fred Sun as new chairman of the board. Fred Sun also represents Parans' largest shareholder, Qingdao Photon Technology Co Ltd (QPT).
- > A new CEO was appointed, Helen Forsling, who chose to resign during the first quarter. On 30 March, the new board decided to reappoint Anders Koritz as CEO. Before this, Anders was Parans' CEO since 2016.
- > Parans' wholly-owned subsidiary, Parans Light Technologies Ltd (PLT) was registered, which represents a milestone for Parans' Chinese business ahead. As a result, the company will be able to start up operations and start the commercialization of this significant market.

SIGNIFICANT EVENTS AFTER FIRST QUARTER

- > After the registration and legalization of Parans' wholly-owned Chinese subsidiary, PLT, a frame agreement has been transferred from QPT to PLT. The frame agreement includes five construction projects close to the city Qingdao through which PLT has the possibility to receive orders of Parans' SP4-system, IoT Street Lights and 5G Smart Towers. See separate press release 6 & 7 April 2021.
- > The work of building a partner network in China has begun. After the end of the period, Parans subsidiary PLT has contracted its first three distributors, and the plan is to greatly expand the network with additional distributors across China. The first three distributors have signed orders for demo equipment amounting to a total of SEK 1,5 million.
- > Parans' board of directors decided to reverse the previously announced decision to establish a subsidiary in Shanghai. The reason is that this subsidiary would have a negative impact on the commercial development, which is in full progress in Qingdao, where PLT is registered.

CEO COMMENTS

Dear shareholder

The first quarter meant a fresh start, not only for me as CEO but also for Parans Solar Lighting as a company. We have passed a number of important milestones in our work to build a profitable, growth-oriented business with base in our newly established Chinese subsidiary PLT. At the same time we have received a request to undergo a new listing process at Spotlight Stock Market, due to the major operational changes we are implementing. Our goal is to meet Spotlight's listing requirements and we cooperate with them so that the listing process can be carried out as quickly as possible.



LISTING REVIEW AND A STRICTER INFORMATION POLICY

In connection with the listing review, we have had dialogue with Spotlight about the company's information policy. Our plans for a strategic partnership with QPT were first announced in November 2019. We saw great potential in this early on and there has been a natural desire to tell the investors what opportunities we saw with the deal, even though it was a long and time consuming process to get it on board. We have not always had the whole picture clear for ourselves, but we still wanted to continuously tell about the progress because we have seen it as relevant and important.

During the first quarter, we got our subsidiary PLT on board. Today, I am as firmly convinced as ever that the deal is the right path for the company, and that it can give us the conditions to create significant value for the company and the shareholders. However, we note in retrospect that the information we have provided to the market has not always been appropriate to create a complete picture of the deal and its consequences. It has been too fragmented, we have received remarks that certain information has been missing and we have to an excessive extent provided information underhand based on the assessments of those responsible.

We are now correcting this in connection with the listing review, as a listing document will be published to meet Spotlights requirements and to be transparent. As a consequence of this, we have also decided to adopt a stricter information policy, with a significantly lower frequency of press releases. Instead, we will collect progress reports and strategic statements in our quarterly reports, and as a general rule, we will publish press releases only when they meet the criteria for insider information in accordance with the EU Market Abuse Regulation MAR. This is in line with the requirements we have for ourselves as a listed company and it should be seen as an increased rigor and maturity of the company as we now have better conditions for generating a positive cash flow and a positive result.

FOCUS ON CHINA

Through the deal with QPT, we have established our subsidiary in China and we have chosen to focus significant parts of our resources on this market as we make the assessment that this is where we can generate the largest sales in the short term.

In the investment agreement signed in May 2020 with QPT, the majority of the tangible assets and

all personnel were to be transferred to Parans subsidiary, PLT. It has now been almost a year since this agreement was written and during this time, together with QPT, we have come to the conclusion that we will only transfer the most important key people from QPT and that we do not intend to take on a large fixed cost mass in the form of production equipment and production personnel. Instead we will source IoT Street Lights and 5G Smart Towers that we sell, from external subcontractors. This enables more flexibility in adapting production capacity and it reduces the financial risk. We will build our own capacity in sales, purchasing, design, administration and product development as it is of strategic importance that we build our own technical know-how and that we own our customers and our market.

PARTNER STRUCTURE THE KEY TO SALES DEVELOPMENT

We will continue to build our sales through strong partnerships with strategic distributors in our key markets. This also applies in China, where the sales efforts and the process of building a partner

network are now in full swing. We are establishing an efficient structure to quickly contract and train new distributors in Qingdao, where Parans subsidiary PLT is based. PLT has recently contracted its first three distributors, and the plan is to greatly expand the network with additional distributors across China. The first three distributors have signed orders for demo equipment amounting to a total of 1.5 million SEK, demonstrating their commitment and belief in our offering and its commercial potential.

In the coming period, the execution of the tunnel project to the Netherlands will be an important part of our operational work and it is expected to represent a significant part of the company's sales outside China during the year.

Möln dal, Sweden, 7 May 2021

Anders Koritz
CEO – Parans Solar Lighting

COMMENTS TO THE FIRST QUARTER

- > The parent company's net sales increased to 2 463 (199) kSEK and consist of SP4 systems, to France, among others, and a first part delivery of fiber cable to the tunnel project in Holland.
- > The operating profit/loss amounts to -6,146 (-3,718) kSEK and is affected by ceasing to capitalize R&D expenses, by costs for a new Software & After market Manager and a new Sales Manager in Asia. In addition, the earnings are affected by depreciation of patents and trademark assets which were taken over from QPT in connection with the investment agreement. This asset will generate income in the form of royalty and license fees from the subsidiary (PLT) in China.
- > From the beginning of the year, the parent company's financial assets have increased to 20,367 (45) kSEK by the establishment of a subsidiary in China, where the share capital amounts to 20,322 kSEK. Half of the share capital has been paid in April and the second half will be paid in 2024 at latest.
- > Earnings per share for the first quarter were SEK -0.06 (-0.07). The number of shares was 105,035,562 (56,793,893). The increase in the number of shares is mainly explained by the directed new issue of shares to QPT and warrants converted during the period.
- > The cash and bank balances has decreased to 20,367 (26,060) kSEK, mainly due to negative cash flow from operations.

As the operating business in the newly established subsidiary has started in the month of April, the income and balance sheet of the group has not been affected by the subsidiary during the first quarter.

ONGOING PROJECTS

RIJNLANDS TUNNEL PROJECT

Both entrances to the Rijnlands tunnel will have Parans' natural light in the opening of the tunnel. This project is strategically important and shows strong innovation as the SP4 system leads the sunlight to the tunnel in a way that has not been possible before. It minimizes the risk of "black holes" and thereby ensures the best possible safety. One of the members of the project group was one of the top finalists in the nationwide competition "The Challenge Engineering" because of the Rijnlands tunnel innovative design. This is largely due to the Parans system's ability to lead light deep into the tunnel. Parans is proud to be able to contribute and sees this project as a reference project for future customers.

The Parans system, SP4, will be delivered as sub-components, with solar collectors and fiber optic cables. The various components are delivered to the customer according to the agreed delivery plan to suit the installation process in the tunnel. During the quarter, a first partial delivery of fiber cable was done. In May 2021, The project will be partially delivered during the summer and final invoicing for the entire project will be done in October, which adds up to the approximately 17,5 million SEK that the project is worth. After October 2021 Parans will do installations which is invoiced separately, this depends on weather but is expected to be carried out and invoiced in December 2021 with a value of 200 kSEK.

NEW ORDERS

At the end of period, Parans backlog was approximately 20 MSEK, of which the order for the Dutch tunnel stands for most of it.

New orders received during the period was approximately 1.1 MSEK.

New orders received after the period was approximately 2 MSEK.

FINANCIAL SITUATION

Total equity and liabilities as of March 31, 2021 were 38,926 (18,707) kSEK. During the quarter, TO2 were converted.

Cash and bank balances as of March 31, 2021 were 20,589 (7,105) kSEK. Total equity as of March 31, 2021 was 32,755 (8,034) kSEK.

Equity/assets ratio as of March 31, 2021 was 55,2 percent (53,6).

SIGNIFICANT RISKS & UNCERTAINTIES

The business is exposed to operational and financial risks, including market changes, purchasing and supplier risks and currency risks, as well as credit risks. The risks and uncertainties that are deemed to be significant to the business mainly comprise the areas of market risk, supplier risks and liquidity risks.

For a more detailed description of significant risks and uncertainties, see Parans Solar Lighting's annual report.

OTHER INFORMATION

Accounting principles

The company applies the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 (K3) in financial reports.

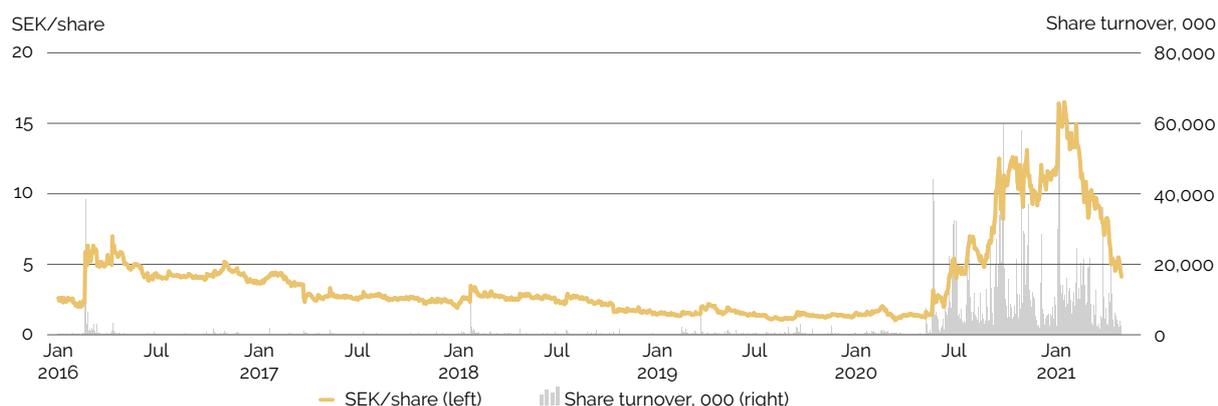
GROUP RELATIONS

The company is a parent company. In connection with the signing of a financing agreement, a wholly owned subsidiary, Parans Solar AB, was formed on November 1, 2017, for holding of financial instruments. With reference to the exemption rules in the Annual Accounts Act, Chapter 7, Section 3, no consolidated financial statements has been established. On March 15, 2021, a wholly owned subsidiary in China, Parans Light Technologies Ltd, was formed and from that date, the company establish consolidated financial statements. All comparative figures for the group reflect the consolidated financial statements that would have been prepared if the exemption rules had not been used.

THE SHARE

Parans Solar Lightings share is traded under the short name PARA on Spotlight Stock Market with the ISIN code SE0002392886. First day of trading was 2010-06-04.

PARANS SHARE



LARGEST SHAREHOLDERS

As of March 31, 2021

	Number of shares	Shares & Capital
Qingdao Photon Technology	30,348,678	28.89%
Estate of Gunnar Mårtensson	13,255,854	12.62%
Avanza Pension	8,714,161	8.30%
Dan Örjan Berglund	2,960,000	2.82%
Chalmers Tekniska Högskola	1,691,739	1.61%
Isac Wiksten	1,501,909	1.43%
Kanizara Capital Ltd	1,249,999	1.19%
Swedbank Försäkring	1,070,169	1.02%
Jennie Lundström	765,000	0.73%
John Patrik Mårtensson	740,096	0.70%
Total	62,297,605	59.31%
Other	42,737,957	40.69%
Total	105,035,562	100%

PARANS SOLAR LIGHTING HAS THE FOLLOWING WARRANTS AS A TRADED INSTRUMENT:

- > PARA TO2 - SE0010662965
- > PARA TO3 - SE0011452523
- > PARA TO4 - SE0011642354
- > PARA TO5 - SE0011896794

right to subscribe for shares during the period 14 November 2018 to 14 November 2022 for a total value of 50,000 SEK or more. The number of shares subscribed for was 41,887 at a subscription price of SEK 1,242, which added SEK 52,024 to the company before issue costs.

During the quarter, shares were subscribed for by the TO2. The subscription has been made based on § 3 of the terms of the warrants which gives the

At the end of the quarter, the number of shares were 105,035,562 and the share capital to SEK 2,100,711.24.

INCOME STATEMENT – GROUP

kSEK	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Net sales	2,463	199	551
Capitalized R&D expenses	0	814	1,471
Change in value added in stock	0	0	21
Other operating income	53	44	25
Total sales	2,516	1,057	2,068
Operating expenses			
Cost of material	-2,439	-108	-575
Other external costs	-3,003	-2,029	-8,698
Cost of personnel	-2,520	-2,578	-10,089
Other operating expenses	-19	-33	-54
Profit / loss before depreciation	-5,465	-3,691	-17,348
Depreciation and amortization of fixed assets	-681	-27	-4,977
Operating profit / loss	-6,146	-3,718	-22,325
Financial items	-14	-142	-357
Profit / loss after financial items	-6,160	-3,860	-22,682
Deferred taxes	0	0	0
Net profit / loss for the period	-6,160	-3,860	-22,682
Earnings per share	-0.0586	-0.0680	-0.2160
Number of shares	105,035,562	56,793,893	104,993,675

BALANCE SHEET – GROUP

kSEK	2021-03-31	2020-03-31	2020-12-31
Assets			
<i>Fixed assets</i>			
Intangible fixed assets	10,698	4,103	11,344
Tangible fixed assets	474	390	475
Financial fixed assets	0	0	0
<i>Total fixed assets</i>	<i>11,172</i>	<i>4,493</i>	<i>11,819</i>
<i>Current assets</i>			
Inventories	5,186	1,564	5,814
Receivables	1,979	1,788	1,779
Cash and bank balances	20,589	7,105	26,060
<i>Total current assets</i>	<i>27,754</i>	<i>10,457</i>	<i>33,653</i>
Total assets	38,926	14,950	45,472
Equity and liabilities			
<i>Equity</i>			
Restricted share capital	2,101	4,426	2,100
Non-restricted share capital	36,814	7,468	59,461
Net profit / loss for the period	-6,160	-3,860	-22,682
<i>Total equity</i>	<i>32,755</i>	<i>8,034</i>	<i>38,879</i>
<i>Liabilities</i>			
Other provisions	622	500	622
Non-current liabilities	317	417	367
Current liabilities	5,232	5,999	5,604
<i>Total liabilities</i>	<i>6,171</i>	<i>6,916</i>	<i>6,593</i>
Total equity and liabilities	38,926	14,950	45,472

INCOME STATEMENT – PARENT COMPANY

kSEK	Jan–Mar 2021	Jan–Mar 2020	Full year 2020
Net sales	2,463	199	551
Capitalized R&D expenses	0	814	1,471
Change in value added in stock	0	0	21
Other operating income	53	44	25
Total sales	2,516	1,057	2,068
Operating expenses			
Cost of material	-2,439	-108	-575
Other external costs	-3,003	-2,029	-8,698
Cost of personnel	-2,520	-2,578	-10,089
Other operating expenses	-19	-33	-54
Profit / loss before depreciation	-5,465	-3,691	-17,348
Depreciation and amortization of fixed assets	-681	-27	-4,977
Operating profit / loss	-6,146	-3,718	-22,325
Financial items	-14	-142	-357
Profit / loss after financial items	-6,160	-3,860	-22,682
Deferred taxes	0	0	0
Net profit / loss for the period	-6,160	-3,860	-22,682

BALANCE SHEET – PARENT COMPANY

kSEK	2021-03-31	2020-03-31	2020-12-31
Assets			
<i>Fixed assets</i>			
Intangible fixed assets	10,698	4,103	11,344
Tangible fixed assets	474	390	475
Financial fixed assets	20,367	45	45
<i>Total fixed assets</i>	<i>31,539</i>	<i>4,538</i>	<i>11,864</i>
<i>Current assets</i>			
Inventories	5,186	1,564	5,814
Receivables	1,979	1,788	1,779
Cash and bank balances	20,589	7,105	26,060
<i>Total current assets</i>	<i>27,754</i>	<i>10,457</i>	<i>33,653</i>
Total assets	59,293	14,995	45,517
Equity and liabilities			
<i>Equity</i>			
Restricted share capital	2,101	4,426	2,100
Non-restricted share capital	36,814	7,468	59,461
Net profit / loss for the period	-6,160	-3,860	-22,682
<i>Total equity</i>	<i>32,755</i>	<i>8,034</i>	<i>38,879</i>
<i>Liabilities</i>			
Other provisions	622	500	622
Non-current liabilities	317	417	367
Current liabilities	25,599	6,044	5,649
<i>Total liabilities</i>	<i>26,538</i>	<i>6,961</i>	<i>6,638</i>
Total equity and liabilities	59,293	14,995	45,517

AUDIT

This report has not been subject to review by the company's auditors.

KEY FIGURE DEFINITIONS

Total equity and liabilities

The company's total assets.

Equity/assets ratio

Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.

NEXT REPORT

Parans continuously publishes financial information 4 times per year. Next date of information is 26 August 2021 where the semi-annual report will be published.

The Annual General Meeting will be held on June 30, 2021 in Mölndal. The board does not propose any dividend.

A subscription of reports is made by registering on Spotlight Stock Markets web site www.spotlightstockmarket.se.

FOR MORE INFORMATION CONTACT:

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7 May 2021

Parans Solar Lighting AB (publ)
The board

This information is the kind of information that Parans Solar Lighting AB (publ) is obliged to publish according to the EU Market Abuse Regulation (MAR). The Information was published on behalf to the Board of Directors on 7 May 2021 at 08:30 CET.

ABOUT PARANS SOLAR LIGHTING AB (PUBL)

Parans Solar Lighting offers sunlight for indoor environments through an innovative system that captures and leads the sunlight. Parans, which has developed the technology, are primarily aimed towards property owners, architects, and major employers around the world. Parans Solar Lighting is listed on Spotlight Stock Market and is based in Mölndal, Sweden. How the Parans system works:

<https://youtu.be/eflcbj2lpWo>



PARANS

PARANS SOLAR LIGHTING

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