



SOLAR LEVEREDE EN STÆRK PERFORMANCE I ALLE MARKEDER

Solar øgede forventningerne til EBITDA for 2022 til DKK 1,1 mia. fra DKK 975 mio. Desuden opjusterede vi forventningerne til omsætningen til DKK 13,45 mia. sammenlignet med vores tidligere forventning på DKK 13,25 mia. Se meddelelse nr. 11 2022.

CEO Jens Andersen udtaler:

"Vi opnåede en stærk EBITDA-vækst i Q2 drevet af vores fire strategiske fokusområder, Koncepter, Industri, Klima & Energi samt Trade, understøttet af en positiv udvikling på alle markeder.

Vi opnåede tocifret justeret organisk vækst i vores to hovedsegmenter Installation og Industri på henholdsvis 11% og 18%.

Vi ser fortsat en høj efterspørgsel inden for Klima & Energi, og grønne løsninger vil fortsætte med at være en vigtig vækstkomponent."

Finansielle hovedbudskaber for Q2

- Justeret organisk vækst steg til 12,4% fra 8,6%.
- EBITDA steg med DKK 56 mio. til DKK 267 mio.
- Engangspriseffekter påvirkede bruttofortjenesten med ca. DKK 45 mio. mod DKK 30 mio. i 2. kvartal 2021.

Udvalgte hovedtal (DKK mio.)	Q2 2022	Q2 2021	H1 2022	H1 2021
Omsætning	3.451	3.098	6.913	6.102
EBITDA	267	211	548	415
Pengestrømme fra driftsaktivitet	-10	351	-212	263
Udvalgte nøgletal (%)				
Organisk vækst justeret for antal arbejdsdage	12,4	8,6	12,9	3,8
EBITDA-margin	7,7	6,8	7,9	6,8
Nettoarbejdskapital, ultimo/omsætning (LTM)	14,1	10,9	14,1	10,9
Gearing (NIBD/EBITDA), antal gange	1,1	0,4	1,1	0,4
Afkast af investeret kapital (ROIC)	25,5	21,0	25,5	21,0



Audio webcast og telekonference i dag

Præsentationen af Delårsrapport Q2 2022 foregår på engelsk den 11. august 2022 kl. 11.00. Præsentationen bliver transmitteret som en audio webcast og kan følges på www.solar.eu. Deltagelse er mulig via den tilknyttede telekonference.

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FAKTA OM SOLAR

Solar-koncernen er en førende europæisk sourcing- og servicevirksomhed, der leverer løsninger primært inden for el, vvs samt klima og energi. Vores kerneforretning centrerer sig om sourcing af produkter, værdiskabende services og optimering af vores kunders forretning.

Vi fremmer effektivitetsforbedringer og tilbyder digitale værktøjer, der gør vores kunder til vindere. Vi driver den grønne omstilling og leverer de bedste løsninger, der sikrer bæredygtig brug af ressourcer.

Solar-koncernen har hovedsæde i Danmark, havde i 2021 en omsætning på ca. 12,4 mia. kroner og beskæftiger ca. 2.900 medarbejdere. Solar er noteret på Nasdaq Copenhagen med kortnavn SOLAR B. Flere oplysninger kan findes på www.solar.eu/.

Ansvarsfraskrivelse

Selskabsmeddelelsen er offentliggjort dags dato på dansk og engelsk via Nasdaq Copenhagen. I tilfælde af uoverensstemmelse mellem de to versioner er det den danske version, der er gældende.



Q2 2022

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solar

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OUR PURPOSE

**We improve
construction, building operation
and industry processes
with a commitment to
sustainability and productivity.
For our customers. With our partners.
For a better world.**

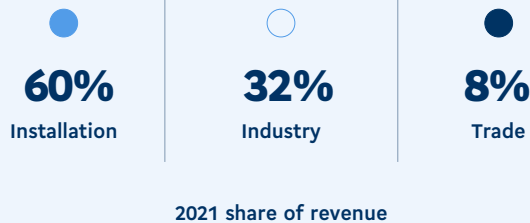
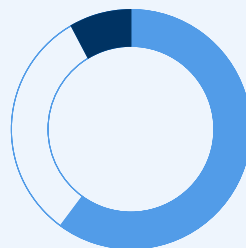
WHO WE ARE

We are a leading European sourcing and services company.

OUR MARKETS

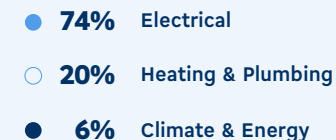
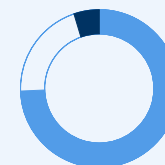


OUR SEGMENTS

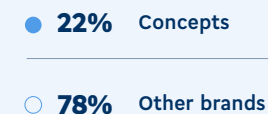
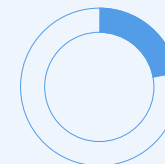


OUR PRODUCTS

Product groups



Product brands



2021 share of revenue

¹ Including eliminations

In Q2, our focus will centre on Trade, which is our smallest segment. However, with 14% year-on-year growth, it is one of the fastest growing business areas.

Customers are not homogeneous; they require different products, services and logistics. 8,000 of our customers have found their perfect match in Trade.

We engage with our customers to develop the services of tomorrow – which makes us stronger together.

FINANCIAL HIGHLIGHTS

Consolidated (DKK million)	Q2 2022	Q2 2021	H1 2022	H1 2021	Year 2021
Revenue	3,451	3,098	6,913	6,102	12,354
Earnings before interest, tax, depreciation and amortisation (EBITDA)	267	211	548	415	911
Earnings before interest, tax and amortisation (EBITA)	218	166	454	323	727
Earnings before interest and tax (EBIT)	202	153	424	296	672
Earnings before tax (EBT)	193	156	410	279	622
Net profit for the period	147	148	315	248	531
Balance sheet total	5,679	4,954	5,679	4,954	5,305
Equity	1,600	1,661	1,600	1,661	1,952
Interest-bearing liabilities, net	1,122	329	1,122	329	-37
Cash flow from operating activities	-10	351	-212	263	783
Net investments in property, plant and equipment	-61	-47	-120	-39	-125

Employees

Number of employees (FTE), end of period	2,995	2,899	2,995	2,899	2,936
Average number of employees (FTEs)	2,956	2,889	2,956	2,889	2,908

Financial ratios (% unless otherwise stated)

Organic growth adjusted for number of working days	12.4	8.6	12.9	3.8	5.9
Gross profit margin	22.9	22.0	23.0	21.9	22.4
EBITDA margin	7.7	6.8	7.9	6.8	7.4
EBITA margin	6.3	5.4	6.6	5.3	5.9
Net working capital (end of period NWC)/revenue (LTM)	14.1	10.9	14.1	10.9	10.2
Gearing (net interest-bearing liabilities/EBITDA), no. of times	1.1	0.4	1.1	0.4	0.0
Return on equity (ROE)	35.1	18.2	35.1	18.2	29.1
Equity ratio	28.2	33.5	28.2	33.5	36.8

Share ratios (DKK)

Earnings per share outstanding (EPS)	20.13	20.27	43.13	33.97	72.72
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In all material aspects financial ratios are calculated in accordance with the Danish Finance Society's "Recommendations & Financial Ratios".

Q2 FINANCIAL MESSAGES

- Adjusted organic growth amounted to 12.4% up from 8.6%.
- EBITDA margin increased by 0.9% to 7.7%. EBITDA of DKK 267m (DKK 211m) was supported by positive development in all markets.
- Return on invested capital (ROIC) increased to 25.5% from 21%.
- On 9 August, EBITDA guidance for 2022 was revised upwards by DKK 125m to DKK 1.1bn. Revenue for 2022 was revised upwards to a total of DKK 13.45bn, up by DKK 0.2bn, which corresponds to organic growth of approx. 9%. See announcement no. 11 2022.

BUSINESS UPDATE

CORE+ STRATEGY UPDATE

18 months into our Core+ strategy, we continue to see strong progress across our four strategic focus areas. We have introduced initiatives to ensure we are confident in meeting our 2023 ambitions.



CONCEPTS

Alignment and expansion of our product portfolio within each concept.

Substitution of low margin business with concepts.

Customisation of concept offerings to individual target groups.

Introduction of Solar Select and Solar Zero: concepts tailored to our Trade and Climate & Energy customers, respectively.

Our Concepts continue to perform and generate growing revenue.

AMBITION
>25%
REVENUE

We aim for a share of revenue from Concepts of >25%.



CLIMATE & ENERGY

Extending the organisational scope in Sweden and Norway – increasing local market knowledge and consolidating our product portfolio.

Introduction of high-capacity heat pumps as an alternative heating solution for the industry.

Gas boilers phased out from our Danish product portfolio.

Norwegian partner programme continues to add value to a growing customer base.

Employee training in certified sustainable building.

Climate & Energy continues to see a significant increase in demand.

AMBITION
>5%
CAGR

We aim to grow Climate & Energy by >5% CAGR over the strategic period.



INDUSTRY

Transition to a cross-border based vertical organisational structure – covering Denmark, Norway, Sweden and the Netherlands.

Solar Nederland introduced Marine & Offshore.

Important infrastructure contract in Norway extended.

Increased demand from MRO and OEM customers in Sweden in the automation product category.

Digitalisation drives demand for more integration between our customers' ERP systems and our trading platform.

Continued growth in all our Industry sub-segments.

AMBITION
35%
REVENUE

We aim for a share of revenue from Industry of 35%.



TRADE

Introduction of Trade into the Swedish and Norwegian markets. As Trade has been launched in all our major markets, we have now established a cross-market organisation which reflects the different sub-segments they serve.

Increased level of activity in sales of sustainable solutions, driven in particular by heat pumps and lighting optimisation.

We continued to expand into new sub-segments most recently into the B2B MRO segment.

Trade continues to deliver strong growth.

AMBITION
>7.5%
CAGR

We aim to grow our Trade segment by a CAGR of >7.5% over the strategic period.

BUSINESS UPDATE - TRADE

DEDICATED LOCAL TEAMS SUPPORT TRADE CUSTOMERS WITH SPECIALISED SERVICES

The requirements and buying preferences of our 8,000 trade customers differ from our Installation and Industry segments.

Development is key

Our customers are based locally, which means that cross-border sales are an exception. We have therefore set up our organisation locally to match our customers' requirements. We also ensure that Solar representatives are available for consultations whenever required.

Our teams work together across markets to share knowledge and experience. We position our customers for success by ensuring a best practice approach, which means that we share trends and identify opportunities.

Tailored product assortment

We continuously adapt our broad assortment to

changes in the market. With our extensive insight into our diverse customer base, we are able to present them with the right products – every time.

We have introduced a new concept tailor-made for our Trade customers and designed to further advance their opportunities. The concept is known as Solar Select.

Hands-on services

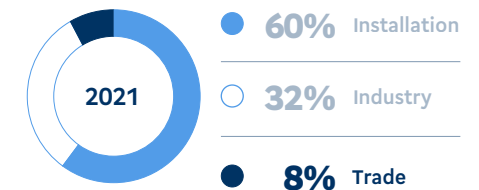
The services we offer our Trade customers differ from the two other segments, Installation and Industry. Each of our segments comprises unique services. For Trade, these are storage solutions, logistics and the cleaning of shelves in DIY shops:



services and solutions that support our Trade customers in their daily business, allowing them to focus on what they do best.

We prioritise the continued development of our Trade services by engaging our customers.

SEGMENTS SHARE OF REVENUE



ENERGY CHECKS OFFER POTENTIAL SAVINGS OF MORE THAN 10,000 KWH PER YEAR

In a partnership between Solar and Grundfos, annual energy savings of more than 10,000 kWh and 2 tonnes of CO₂ were identified at Vejen sports centre. This can be achieved simply by replacing circulation pumps with more energy-efficient models.

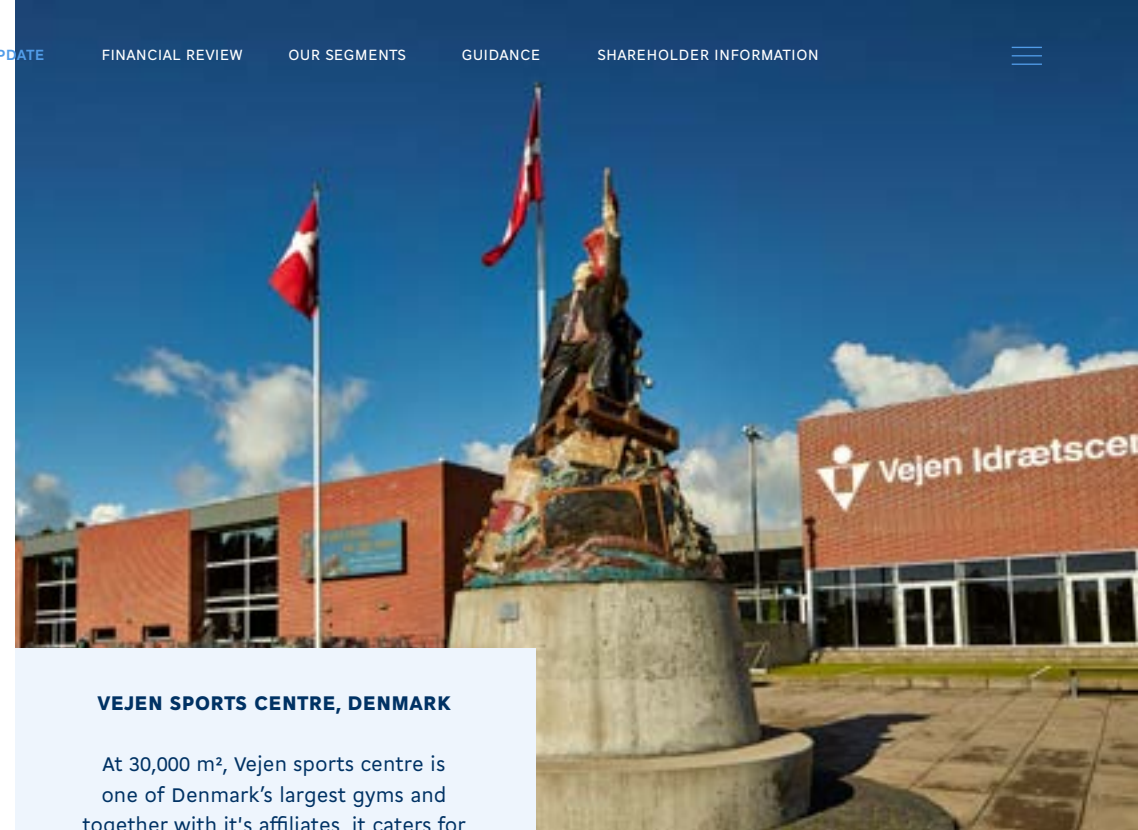
"Rising energy prices mean that energy-saving initiatives are very much to the fore and this includes sports centre facilities," says Solar's Claus Hartmann Enemark Nielsen, who has market responsibility for Infrastructure & Trade, Heating & Sanitation. "Energy consumption for water accounts for a substantial part of the centre's fixed costs. Local councils have committed to reducing their carbon footprint and to make leisure facilities more sustainable."

Circulation pumps are an often-overlooked area, but the savings are easily achievable. The pumps are hidden away in basements and technical rooms, and play a vital part in the management and distribution of water. An inefficient circulation pump can have a major impact on the overall energy bill and on operational reliability.

By focusing on energy optimisation and replacing the old pumps, greater efficiency, higher operational reliability, less water consumption and financial savings can be achieved.

Solar's partner, Grundfos, produces pumping solutions for building and construction, water supply, wastewater and industrial use. Together, the two companies visited the 30,000 m² Vejen sports centre to carry out an energy check. An energy check means that the detailed results can be used to address customer requirements.

At Vejen sports centre, the energy check resulted in potential annual energy savings of more than 10,000 kWh and 2 tonnes CO₂ provided that the pumps were replaced with more energy-efficient models.



VEJEN SPORTS CENTRE, DENMARK

At 30,000 m², Vejen sports centre is one of Denmark's largest gyms and together with its affiliates, it caters for approx. 800,000 visitors per year.



Rising energy prices mean that energy-saving initiatives are very much to the fore. And this includes sports centre facilities.

"Replacing circulation pumps can account for an important part of the energy-saving initiatives that a sports centre can implement, but there are many other parts of the operation that can benefit from such monitoring," says Claus Hartmann Enemark Nielsen.

Solar adapts its products and services to customers' various requirements. We help to form an overview of the potential savings and can provide suggestions for how energy consumption can be reduced. We have the insight and can advise on innovative measures. There are many opportunities for optimising energy consumption, and by making procurement more insightful, businesses can be made more efficient, with savings made on time and money.

UPDATE: WAREHOUSE EXPANSION

SOLAR PHASES OUT GAS AND INSTALLS HEAT PUMPS

At Solar's warehouse facilities in Vejen, the installation of three large heat pumps has been finalised. They supply heat to the warehouse as well as the new AutoStore operation.

Green energy saving solutions are an integral part of our investment in the expansion of the warehouse in Vejen, which is why gas boilers have been replaced with new energy saving air source heat pumps.

"For Solar, rising gas prices are yet another incentive to switch to heat pumps, and with the prospect of rising CO₂ levies, the situation has gone from being a green initiative to also being one which is cost-effective and profitable," says Dennis Jeppesen, Sales Director, Climate and Energy at Solar Danmark.

Attractive payback time

With the new heat pumps, we expect our annual savings in energy consumption to be approximately 1,373,000 kWh, which corresponds to the annual energy consumption of around 275 homes. At current prices, we expect to achieve savings of around DKK 2 million per year.

"With a total investment of DKK 6.2 million in the

new air source heat pumps and energy subsidies from the government, we expect a payback period of approximately 3 years. We're switching to a green and sustainable solution, which is also a very attractive investment for Solar," explains Dennis Jeppesen.

Reduces CO₂ emissions

A gas boiler produces an average of 1 kWh of heat per 1 kWh of input energy whereas a heat pump produces approximately 3.5 times as much heat per 1 kWh of input energy. By switching to a heat pump, therefore, emissions are reduced accordingly.

Simple installation

Our new air source heat pump system, which replaces the two gas boilers, consists of three heat pumps.

The heat pumps are located on the roof of the warehouse in a cascade system to enable optimum control. Photovoltaics on the roof mean that we are self-sufficient in energy and can run the heat pumps with green energy.



Green energy solutions are appropriate for all industrial companies: the combination of photovoltaics and heat pumps is efficient while also significantly reducing CO₂ emissions.

FINANCIAL REVIEW

Q2 EBITDA INCREASED BY 27% TO DKK 267M

(Figures in brackets are figures from the corresponding period in 2021)

Q2 adjusted organic growth was up at 12.4% (8.6%), while gross profit margin increased to 22.9% (22.0%). Q2 EBITDA of DKK 267m (DKK 211m) was supported by positive development in all markets.

Q2 2022

Revenue

Revenue increased to DKK 3.5bn (DKK 3.1bn) and adjusted organic growth level amounted to 12.4% (8.6%).

Although growth was supported by price increases, we continued to see solid underlying growth. The Installation and Industry segments posted double-digit adjusted organic growth, whereas Trade was stagnant, see page 12.

Gross profit

Gross profit margin increased to 22.9% (22.0%), which combined with revenue growth, resulted in a gross profit increase of DKK 109m. One-off price effects resulted in a positive impact of approx. DKK 45m (DKK 30m) on gross profit, corresponding to a gross profit margin improvement of approx. 1.3 percentage points (1 percentage point).

External operating costs and staff costs

In total, external operating costs and staff costs were down at 14.9% (15.1%) of revenue.

Rising prices, including energy prices and costs relating to the establishment of our additional warehouse capacity in Norway, had a negative effect on cost development. Increased costs were also attributable to strong revenue growth and improved earnings.

Loss on trade receivables

Loss on trade receivables amounted to DKK 9m (DKK 5m) mainly due to a few losses on individual customers.

EBITDA

We succeeded in increasing EBITDA by DKK 56m. This was supported by our four strategic focus areas, Concepts, Industry, Climate & Energy and Trade, positive one-offs and a strong growth level.

The EBITDA margin was up at 7.7% (6.8%) as EBITDA increased to DKK 267m (DKK 211m) and slightly exceeded our expectations mainly due to one-off price increases.

The results of the individual markets are given on page 24.

Financials

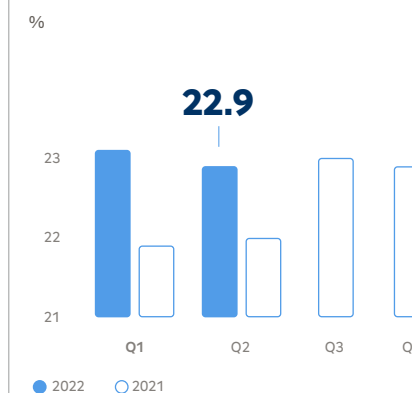
Net financials amounted to DKK -8m (DKK 3m).

In Q2 2021, net financials were positively affected by DKK 11m due to an interest compensation related to a ruling from the Danish tax authorities, see section on income tax on page 10.

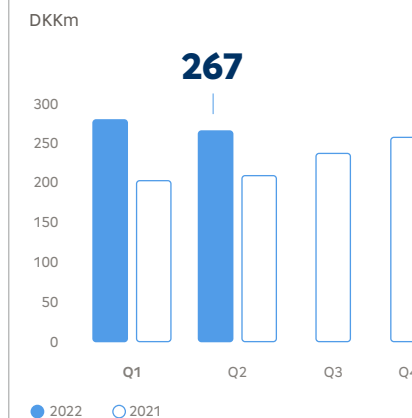
Earnings before tax

Earnings before tax were up at DKK 193m (DKK 156m).

GROSS PROFIT MARGIN



EBITDA



FINANCIAL REVIEW

Income tax

Income tax amounted to DKK -46m (DKK -8m).

In Q2 2021, we received a ruling from the Danish tax authorities approving a reduction in Danish taxable income in 2012 with a tax loss of DKK 74m related to divested activities. The tax value of the loss amounted to approx. DKK 19m.

Net profit

Net profit came to DKK 147m (DKK 148m).

H1 2022

Revenue

In H1, adjusted organic growth at group level increased to 12.9% (3.8%) and revenue was up at DKK 6.9bn (DKK 6.1bn).

Gross profit

Gross profit increased by DKK 251m with continuous improvement in the gross profit margin, which increased to 23.0% (21.9%).

One-off price effects resulted in a positive impact of approx. DKK 80m (DKK 30m) on gross profit, corresponding to a gross profit margin improvement of approx. 1.2 percentage points (0.5 percentage point).

Other income

Other income amounted to DKK 1m (DKK 6m). By way of comparison, in H1 2021, other income related to profit from the disposal of a property in Denmark of DKK 3m and one-off compensation of DKK 3m.

External operating costs and staff costs

In total, external operating costs and staff costs were down at 14.9% (15.1%) of revenue.

Rising prices, including energy prices, had a negative effect on cost development. Increased costs were also attributable to strong revenue growth and improved earnings.

EBITDA

EBITDA increased by DKK 133m to DKK 548m corresponding to an EBITDA margin of 7.9% (6.8%) of revenue. All entities saw substantial improvement in EBITDA, with Solar Nederland and Solar Sverige making a significant contribution.

The results of the individual markets are shown on page 25.

Financials

Net financials amounted to DKK -13m (DKK -17m).

In H1 2021, net financials were negatively affected by DKK 14m due to the early redemption of an interest swap and positively affected by DKK 11m regarding interest compensation related to a ruling by the Danish tax authorities.

Earnings before tax

Earnings before tax were up at DKK 410m (DKK 279m).

Income tax

Income tax amounted to DKK -95m (DKK -31m).

In H1 2021, we received a ruling from the Danish tax authorities approving a reduction in Danish taxable income in 2012 with a tax loss of DKK 74m related to divested activities. The tax value of the loss amounted to approx. DKK 19m.

Net profit

Net profit increased to DKK 315m (DKK 248m).

Cash flow

Net working capital calculated as an average of the previous four quarters amounted to 12.3% (10.8%) of revenue. Net working capital at the end of Q2 2022 was 14.1% (10.9%).

In H1, cash flow from operating activities totalled DKK -212m (DKK 263m).

Changes in receivables had a DKK -495m (DKK -433m) impact on cash flow, which was affected by the increased growth level in H1 2022 and normal seasonal fluctuations. Changes in inventories and non-interest-bearing liabilities had an impact of DKK -159m (DKK 24m) and DKK -37m (DKK 315m), respectively.

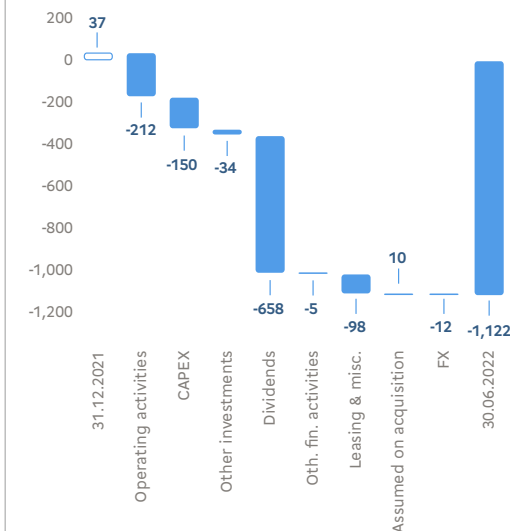
The general inventory level was affected by price increases and by the decision to increase our inventory level to ensure delivery performance during a period of potential goods shortage.

Most of the COVID-19 financial support package has now been repaid.

Total cash flow from investing activities amounted to DKK -184m (DKK -73m). DKK -98m related to the investment in the expansion and upgrading of our warehouse in Denmark, cf. page 10 in Annual Report 2021. In addition, the acquisition of Højager Belysning A/S had an impact of DKK -34m, cf. page 26 of this report.

Cash flow from financing activities amounted to DKK 4m (DKK -342m), mainly affected by ordinary and extraordinary dividend distributions totalling DKK 658m (DKK 314m) and by the change in current interest-bearing debt of DKK 723m (DKK 49m).

NIBD IN DKK MILLION



Consequently, cash flow totalled DKK -392m (DKK -152m).

Net interest-bearing liabilities amounted to DKK 1,122m (DKK 329m).

As at 30 June 2022, gearing was 1.1 (0.4) times EBITDA. Calculated as an average, gearing was unchanged at 0.5 times EBITDA. Our gearing target is between 1.5-3.0 times EBITDA.

As at 30 June 2022, Solar had undrawn credit facilities of DKK 85m (DKK 426m).

FINANCIAL REVIEW

KEY RISKS AND MITIGATION

Invested capital

Invested capital for the Solar Group totalled DKK 2,675m (DKK 1,921m). ROIC amounted to 25.5% (21.0%).

Activities with a Solar equity interest of less than 50% and discontinued activities are not included in the ROIC calculation. Invested capital only includes operating assets and liabilities.

KEY RISKS AND MITIGATION

Like other international companies, Solar is affected by both global trends and local conditions in the markets where we operate.

The Russian invasion of Ukraine and sanctions imposed by the European Union and other international bodies may also affect markets outside Russia and Ukraine.

Solar neither has business activities in Russia nor Ukraine, but there is a potential risk of the knock-on effects e.g. leading to significant drop in market activities. We are monitoring the situation closely and will adopt the necessary initiatives to limit these impacts, preserve business continuity and protect earnings.

No additional risks have been identified.

The commercial and financial risks relating to our activities are detailed in Solar's 2021 Annual Report.



OUR SEGMENTS

OUR INSTALLATION AND INDUSTRY SEGMENTS DELIVERED STRONG GROWTH IN Q2

(Data shown in brackets relate to the corresponding period in 2021)

INSTALLATION

Our Installation segment covers installation of electrical and heating and plumbing products.

In Q2, Installation revenue increased to DKK 2.0bn (DKK 1.9bn) corresponding to overall adjusted organic growth of around 11% (4%) related primarily to the electrical business. Apart from Solar Polska, all markets saw growth in Installation.

Segment profit increased to DKK 244m (DKK 211m) corresponding to a segment profit margin of 12.0% (11.4%) positively affected by an increased gross profit margin.

INDUSTRY

This segment covers industry, offshore and marine industries as well as utilities and infrastructure. Industry also includes MAG45.

In Q2, Industry revenue increased to DKK 1.1bn (DKK 1.0bn). This corresponds to overall adjusted organic growth of around 18% (12%) related primarily to OEM, Utilities, Marine & Offshore, although MRO also saw solid growth. We saw growth above 20% for Solar Denmark, Solar Norge and Solar Polska.

Segment profit increased to DKK 197m (DKK 137m). This corresponds to a segment profit margin of 17.2% (14.1%).

TRADE

Our Trade segment covers special sales and other small areas. It also includes Solar Polaris.

In Q2, revenue from Trade was unchanged at DKK 0.3bn corresponding to overall adjusted organic growth of around -2% (30%) as revenue in the DIY sub-segment declined albeit from a high level.

Segment profit amounted to DKK 40m (DKK 50m) corresponding to a segment profit margin of 14.4% (18.1%) negatively affected by a decline in gross profit margin.

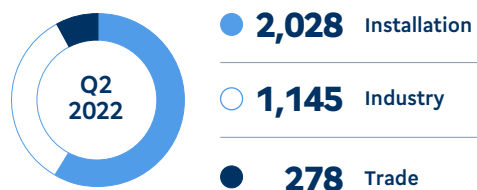
Segment profit includes any items that are directly attributable to the individual segment and any items that can be reliably allocated to the individual segment.

Segment profit does not include non-allocated costs of DKK 214m (DKK 187m) in Q2, which refer to income and costs related to joint group functions and to costs, which can not be reliably allocated to the individual segment.

Detailed segment information is given on page 22.

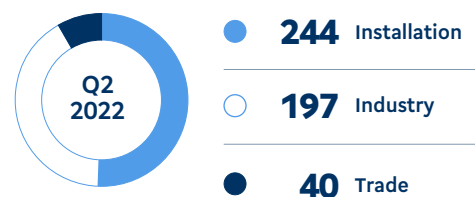
SEGMENT REVENUE

DKKm



SEGMENT PROFIT

DKKm



OVERVIEW BUSINESS SEGMENTS

DKK million	Q2					
	Revenue		Segment profit		Segment margin %	
	2022	2021	2022	2021	2022	2021
Installation	2,028	1,850	244	211	12.0	11.4
Industry	1,145	971	197	137	17.2	14.1
Trade	278	277	40	50	14.4	18.1
Solar Group	3,451	3,098	481	398	13.9	12.8

OUR SEGMENTS

ALL SEGMENTS DELIVERED STRONG GROWTH IN H1

(Data shown in brackets relate to the corresponding period in 2021)

INSTALLATION

In H1, Installation revenue increased to DKK 4.1bn (DKK 3.7bn) corresponding to overall adjusted organic growth of around 10% (2%) related primarily to the electrical business. All markets saw growth in Installation, with Solar Sverige and Solar Polska posting particularly strong growth.

Segment profit increased to DKK 500m (DKK 384m) corresponding to a segment profit margin of 12.3% (10.4%) positively affected by an increased gross profit margin.

INDUSTRY

In H1, Industry revenue increased to DKK 2.3bn (DKK 1.9bn). This corresponds to overall adjusted organic growth of around 18% (6%) related primarily to OEM, Utilities, Marine & Offshore with MRO also seeing solid growth. We posted growth above 14% in all markets covering Industry, with Solar Polska and Solar Norge making a substantial contribution.

Segment profit increased to DKK 395m (DKK 294m). This corresponds to a segment profit margin of 17.4% (15.4%).

TRADE

In H1, revenue from Trade increased to DKK 0.6bn (DKK 0.5bn) corresponding to overall adjusted organic growth of around 14% (8%).

Segment profit amounted to DKK 80m (DKK 88m) corresponding to a segment profit margin of 13.7% (17.6%).

Segment profit includes any items that are directly attributable to the individual segment and any items that can be reliably allocated to the individual segment.

Segment profit does not include non-allocated costs of DKK 427m (DKK 351m) in H1, which refer to income and costs related to joint group functions and to costs, which can not be reliably allocated to the individual segment.

Detailed segment information is given on page 23.

SEGMENT REVENUE

DKKm



● **4,063** Installation

○ **2,265** Industry

● **585** Trade

SEGMENT PROFIT

DKKm



● **500** Installation

○ **395** Industry

● **80** Trade

OVERVIEW BUSINESS SEGMENTS

DKK million	Revenue		H1 Segment profit		Segment margin %	
	2022	2021	2022	2021	2022	2021
Installation	4,063	3,699	500	384	12.3	10.4
Industry	2,265	1,904	395	294	17.4	15.4
Trade	585	499	80	88	13.7	17.6
Solar Group	6,913	6,102	975	766	14.1	12.6

GUIDANCE 2022

EBITDA GUIDANCE HAS BEEN UPGRADED TO DKK 1.1BN

Solar upgraded its EBITDA guidance for 2022 by DKK 125m to DKK 1.1bn on 9 August. Revenue for 2022 was revised upwards to a total of DKK 13.45bn, up by DKK 0.2bn, which corresponds to organic growth of approx. 9%. See announcement no. 11 2022.

GENERAL ASSUMPTIONS

The guidance for 2022 assumes that the Russian invasion of Ukraine and sanctions imposed by the European Union and other international bodies will not have any significant knock-on effects e.g. leading to significant drop in market activities.

Loss on trade receivables is assumed to be approximately at the same level as in 2021.

MARKET OUTLOOK FOR SOLAR'S SEGMENTS

Overall, we expect the markets to show growth rates in all countries throughout the rest of 2022.

Installation

On the backdrop of continued electrification as one of the important megatrends, we expect the installation market to continue to show growth in 2022 compared to 2021.

Industry

The guidance is based on the assumption that sales to all industry sub-segments will continue to deliver solid growth rates.

Trade

In H2 2022, we also expect solid growth for special sales, the Trade segment's primary activity.

FINANCIAL OUTLOOK 2022

Revenue guidance

We expect revenue to amount to DKK 13.45bn, corresponding to organic growth of approx. 9%.

Our Better Business project is an integral part of the Core+ strategy and is expected to reduce revenue by approx. DKK 200m compared to 2021.

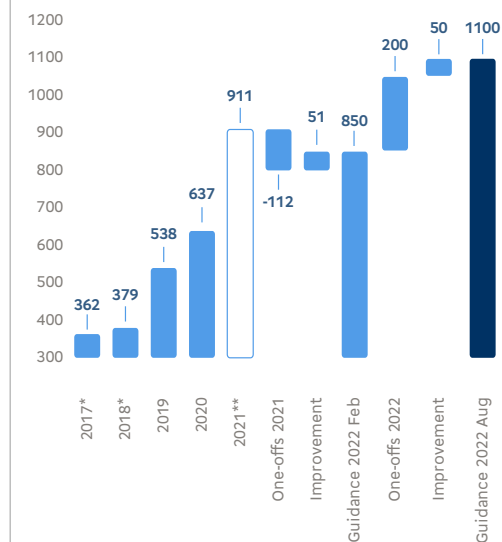
This will mainly affect Installation and Trade, primarily in Solar Sverige, and to a lesser extent Solar Nederland. Adjusted for this, we expect organic growth of approx. 11%.

EBITDA guidance

We expect EBITDA to amount to DKK 1.1bn, of which DKK 200m can be attributed to one-off price effects.

EBITDA

DKKm



* not adjusted for IFRS16 impact

** including one-off income of DKK 112m

SHAREHOLDER INFORMATION

SHARE AND WEBCAST INFORMATION

Solar's share capital is divided into nominal value DKK 90 million A shares and nominal value DKK 646 million B shares.

The A shares are not listed. The B shares are listed on Nasdaq Copenhagen under the ID code DK0010274844, and are designated SOLAR B, and form part of the MidCap index and MidCap on Nasdaq Nordic.

The share capital includes 900,000 A shares and 6,460,000 B shares. Solar's portfolio of treasury shares totals 56,813 B shares or 0.8% of share capital.

A shares have 10 votes per share amount of DKK 100, while B shares have 1 vote per share amount of DKK 100.

TOTAL SHAREHOLDER RETURN

The total shareholder return of the Solar B share during the holding period 1 January - 30 June 2022 was -12.5% including the DKK 45.00 ordinary dividend and the DKK 45.00 extraordinary dividend that was paid out in March and May 2022, respectively.

AUDIO WEBCAST

The presentation of the Quarterly Report Q2 2022 will be conducted in English on 11 August 2022 at 11:00 CET. The presentation will be transmitted as an audio webcast and will be available at:

 WWW.SOLAR.EU

FINANCIAL CALENDAR 2022

11 August	Quarterly Report Q2 2022
1 October - 3 November	IR quiet period
3 November	Quarterly Report Q3 2022

DISTRIBUTION OF SHARE CAPITAL AND VOTES BASED ON THE LATEST PUBLIC INFORMATION

	Share capital in %	Votes in %
Holdings of 5% or more of share capital		
The Fund of 20th December, Vejen, Denmark	17.0%	60.5%
Nordea Funds Ltd., Helsinki, Finland	10.4%	5.0%

CONSOLIDATED FINANCIAL STATEMENTS

Q2 2022

STATEMENT OF COMPREHENSIVE INCOME

Income statement

DKK million	Q2		H1		Year
	2022	2021	2022	2021	2021
Revenue	3,451	3,098	6,913	6,102	12,354
Cost of sales	-2,661	-2,417	-5,323	-4,763	-9,581
Gross profit	790	681	1,590	1,339	2,773
Other operating income and costs	0	3	1	6	7
External operating costs	-91	-68	-187	-143	-297
Staff costs	-423	-400	-841	-776	-1,552
Loss on trade receivables	-9	-5	-15	-11	-20
Earnings before interest, tax, depreciation and amortisation (EBITDA)	267	211	548	415	911
Depreciation and write-down on property, plant and equipment	-49	-45	-94	-92	-184
Earnings before interest, tax and amortisation (EBITA)	218	166	454	323	727
Amortisation and impairment of intangible assets	-16	-13	-30	-27	-55
Earnings before interest and tax (EBIT)	202	153	424	296	672
Share of net profit from associates	-1	0	-1	0	-2
Financial income	12	14	22	22	41
Financial expenses	-20	-11	-35	-39	-89
Earnings before tax (EBT)	193	156	410	279	622
Income tax	-46	-8	-95	-31	-91
Net profit for the period	147	148	315	248	531
Earnings in DKK per share outstanding (EPS)	20.13	20.27	43.13	33.97	72.72
Diluted earnings in DKK per share outstanding (EPS-D)	20.07	20.22	43.00	33.90	72.50

Other comprehensive income

DKK million	Q2		H1		Year
	2022	2021	2022	2021	2021
Net profit for the period	147	148	315	248	531
Other income and costs recognised:					
Items that can be reclassified for the income statement					
Foreign currency translation adjustments of foreign subsidiaries	-35	-1	-28	11	14
Fair value adjustments of hedging instruments before tax	12	6	25	23	29
Tax on fair value adjustments of hedging instruments	-3	-1	-6	-5	-6
Other income and costs recognised after tax	-26	4	-9	29	37
Total comprehensive income for the period	121	152	306	277	568

BALANCE SHEET

DKK million	30.06		31.12
	2022	2021	2021
ASSETS			
Intangible assets	183	157	159
Property, plant and equipment	961	831	885
Right-of-use assets	346	317	300
Deferred tax asset	12	3	13
Investments in associates	4	5	5
Other non-current assets	51	72	53
Non-current assets	1,557	1,385	1,415
Inventories	1,991	1,513	1,855
Trade receivables	1,957	1,701	1,502
Income tax receivable	4	33	0
Other receivables	14	18	6
Prepayments	57	52	46
Cash at bank and in hand	99	252	481
Current assets	4,122	3,569	3,890
Total assets	5,679	4,954	5,305

DKK million	30.06		31.12
	2022	2021	2021
EQUITY AND LIABILITIES			
Share capital	736	736	736
Reserves	-167	-166	-158
Retained earnings	1,031	1,091	1,045
Proposed dividends for the financial year	0	0	329
Equity	1,600	1,661	1,952
Interest-bearing liabilities	116	124	120
Lease liabilities	247	217	203
Provision for deferred tax	133	103	101
Other provisions	10	13	11
Non-current liabilities	506	457	435
Interest-bearing liabilities	754	135	19
Lease liabilities	104	105	102
Trade payables	2,092	1,934	2,098
Income tax payable	59	46	33
Other payables	545	607	644
Prepayments	2	4	1
Other provisions	17	5	21
Current liabilities	3,573	2,836	2,918
Liabilities	4,079	3,293	3,353
Total equity and liabilities	5,679	4,954	5,305

CASH FLOW STATEMENT

DKK million	Q2		H1		Year
	2022	2021	2022	2021	2021
Net profit of continuing operations for the period	147	148	315	248	531
Depreciation, write-down and amortisation	65	58	124	119	239
Changes to provisions and other adjustments	-9	3	-12	-2	11
Share of net profit from associates	1	0	1	0	2
Financials, net	7	-3	13	17	48
Income tax	46	8	95	31	91
Financial income, received	3	2	6	3	23
Financial expenses, settled	-7	-9	-14	-33	-50
Income tax, settled	-20	-9	-49	-26	-81
Cash flow before working capital changes	233	198	479	357	814
Working capital changes					
Inventory changes	-173	60	-159	24	-319
Receivables changes	36	-79	-495	-433	-229
Non-interest-bearing liabilities changes	-106	172	-37	315	517
Cash flow from operating activities	-10	351	-212	263	783

DKK million	Q2		H1		Year
	2022	2021	2022	2021	2021
Investing activities					
Purchase of intangible assets	-14	-15	-30	-28	-58
Purchase of property, plant and equipment	-61	-47	-120	-57	-143
Disposal of property, plant and equipment	0	0	0	18	18
Aquisition of subsidiaries and activities	0	0	-34	0	0
Acquisition of associates	0	-1	0	-3	-5
Other financial investments	0	0	0	-3	-3
Cash flow from investing activities	-75	-63	-184	-73	-191
Financing activities					
Repayment of non-current interest-bearing debt	-2	-2	-4	-22	-79
Change in current interest-bearing debt	400	-130	723	49	-9
Instalment on lease liabilities	-28	-29	-57	-57	-115
Dividends distributed	-329	-110	-658	-314	-314
Sale of treasury shares	0	0	0	2	2
Cash flow from financing activities	41	-271	4	-342	-515
Total cash flow	-44	17	-392	-152	77
Cash at bank and in hand at the beginning of period	143	235	481	404	404
Assumed on aquisition of subsidiaries	0	0	10	0	0
Cash at bank and in hand at the end of period	99	252	99	252	481
Cash at bank and in hand at the end of the period					
Cash at bank and in hand	99	252	99	252	481
Cash at bank and in hand at the end of the period	99	252	99	252	481

STATEMENT OF CHANGES IN EQUITY

DKK million	Share capital	Reserves for hedging transactions ¹	Reserves for foreign currency translation adjustments ¹	Retained earnings	Proposed dividends	Total
2022						
Equity as at 1 January	736	-37	-121	1,045	329	1,952
Foreign currency translation adjustments of foreign subsidiaries			-28			-28
Fair value adjustments of hedging instruments before tax		25				25
Tax on fair value adjustments		-6				-6
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	19	-28	0	0	-9
Net profit for the period				315		315
Comprehensive income	0	19	-28	315	0	306
Distribution of dividends (DKK 45.00 per share)					-329	-329
Distribution of extraordinary dividends (DKK 45.00 per share)				-329		-329
Transactions with the owners	0	0	0	-329	-329	-658
Equity as at 30 June	736	-18	-149	1,031	0	1,600

STATEMENT OF CHANGES IN EQUITY

– continued

DKK million	Share capital	Reserves for hedging transactions ¹	Reserves for foreign currency translation adjustments ¹	Retained earnings	Proposed dividends	Total
2021						
Equity as at 1 January	736	-60	-135	951	204	1,696
Foreign currency translation adjustments of foreign subsidiaries			11			11
Fair value adjustments of hedging instruments before tax		23				23
Tax on fair value adjustments		-5				-5
Net income recognised in equity via other comprehensive income in the statement of comprehensive income	0	18	11	0	0	29
Net profit for the period				248		248
Comprehensive income	0	18	11	248	0	277
Distribution of dividends (DKK 28.00 per share)					-204	-204
Distribution of extraordinary dividends (DKK 15.00 per share)				-110		-110
Sale of treasury shares				2		2
Transactions with the owners	0	0	0	-108	-204	-312
Equity as at 30 June	736	-42	-124	1,091	0	1,661

1. Reserves for hedging transactions and reserves for foreign currency translation adjustments are recognised in the balance sheet as a total amount under reserves.

NOTES

Segment information

The business segments of Solar A/S are Installation, Industry and Trade and are based on the customers' affiliation with the segments. Installation covers installation of electrical, and heating and plumbing products, while Industry covers industry, offshore and marine, and utility and infrastructure. Trade covers special sales and other small areas. The three main segments have been identified without aggregation of operating segments. Segment income and costs include any items that are directly attributable to the individual segment and any items that can be reliably allocated to the individual segment. Non-allocated costs refer to income and costs related to joint group functions and costs, which can not be reliably allocated to the individual segment. Assets and liabilities are not included in segment reporting.

DKK million	Installation	Industry	Trade	Total
Q2 2022				
Revenue	2,028	1,145	278	3,451
Cost of sales	-1,589	-856	-216	-2,661
Gross profit	439	289	62	790
Direct costs	-69	-33	-10	-112
Earnings before indirect costs	370	256	52	678
Indirect costs	-126	-59	-12	-197
Segment profit	244	197	40	481
Non-allocated costs				-214
Earnings before interest, tax, depreciation and amortisation (EBITDA)				267
Depreciation and amortisation				-65
Earnings before interest and tax (EBIT)				202
Financials, net incl. share of net profit from associates and impairment on associates				-9
Earnings before tax (EBT)				193

DKK million	Installation	Industry	Trade	Total
Q2 2021				
Revenue	1,850	971	277	3,098
Cost of sales	-1,470	-744	-203	-2,417
Gross profit	380	227	74	681
Direct costs	-63	-33	-12	-108
Earnings before indirect costs	317	194	62	573
Indirect costs	-106	-57	-12	-175
Segment profit	211	137	50	398
Non-allocated costs				-187
Earnings before interest, tax, depreciation and amortisation (EBITDA)				211
Depreciation and amortisation				-58
Earnings before interest and tax (EBIT)				153
Financials, net incl. share of net profit from associates and impairment on associates				3
Earnings before tax (EBT)				156

NOTES

Segment information – continued

DKK million	Installation	Industry	Trade	Total
H1 2022				
Revenue	4,063	2,265	585	6,913
Cost of sales	-3,174	-1,688	-461	-5,323
Gross profit	889	577	124	1,590
Direct costs	-136	-65	-19	-220
Earnings before indirect costs	753	512	105	1,370
Indirect costs	-253	-117	-25	-395
Segment profit or loss	500	395	80	975
Non-allocated costs				-427
Earnings before interest, tax, depreciation and amortisation (EBITDA)				548
Depreciation and amortisation				-124
Earnings before interest and tax (EBIT)				424
Financials, net				-14
Earnings before tax (EBT)				410

DKK million	Installation	Industry	Trade	Total
H1 2021				
Revenue	3,699	1,904	499	6,102
Cost of sales	-2,948	-1,446	-369	-4,763
Gross profit	751	458	130	1,339
Direct costs	-121	-60	-17	-198
Earnings before indirect costs	630	398	113	1,141
Indirect costs	-246	-104	-25	-375
Segment profit or loss	384	294	88	766
Non-allocated costs				-351
Earnings before interest, tax, depreciation and amortisation (EBITDA)				415
Depreciation and amortisation				-119
Earnings before interest and tax (EBIT)				296
Financials, net				-17
Earnings before tax (EBT)				279

NOTES

Segment information – continued

Geographical information

Solar A/S primarily operates on the Danish, Swedish, Norwegian and Dutch markets. In the below table, Other markets covers the remaining markets, which can be seen in the group companies overview available on page 132 of Annual Report 2021 or on www.solar.eu. The below allocation has been made based on the products' place of sale.

DKK million	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
Q2 2022					
Denmark	1,109	9.5	100	9.0	2,150
Sweden	724	8.0	48	6.6	178
Norway	554	14.8	44	7.9	229
The Netherlands	825	18.3	59	7.2	329
Poland	119	6.1	5	4.2	26
Several markets (MAG45)	193	18.1	9	4.7	52
Other markets	29	21.3	2	6.9	32
Eliminations	-102	-	0	0.0	-1,439
Solar Group	3,451	12.4	267	7.7	1,557

DKK million	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
Q2 2021					
Denmark	1,007	13.8	91	9.0	1,778
Sweden	692	7.4	35	5.1	221
Norway	482	5.9	38	7.9	183
The Netherlands	707	-1.4	34	4.8	342
Poland	112	47.0	5	4.5	28
Several markets (MAG45)	166	20.5	7	4.2	49
Other markets	14	11.2	1	7.1	4
Eliminations	-82	-	0	0.0	-1,220
Solar Group	3,098	8.6	211	6.8	1,385

NOTES

Segment information – continued

DKK million	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets	DKK million	Revenue	Adjusted organic growth %	EBITDA	EBITDA margin %	Non-current assets
H1 2022						H1 2021					
Denmark	2,261	11.1	208	9.2	2,150	Denmark	2,007	10.4	185	9.2	1,778
Sweden	1,427	10.2	101	7.1	178	Sweden	1,329	1.9	67	5.0	221
Norway	1,104	14.7	91	8.2	229	Norway	939	1.1	73	7.8	183
The Netherlands	1,649	14.3	115	7.0	329	The Netherlands	1,440	-5.0	66	4.6	342
Poland	251	24.2	12	4.8	26	Poland	204	27.5	8	3.9	28
Several markets (MAG45)	374	17.7	17	4.5	52	Several markets (MAG45)	318	13.5	13	4.1	49
Other markets	48	10.5	4	8.3	32	Other markets	30	9.3	3	10.0	4
Eliminations	-201	-	0	0.0	-1,439	Eliminations	-165	-	0	0.0	-1,220
Solar Group	6,913	12.9	548	7.9	1,557	Solar Group	6,102	3.8	415	6.8	1,385

NOTES

Acquisition of business activities

On 1 March 2022, Solar acquired the shares in the lighting company Højager Belysning A/S in Denmark.

Total acquisition price of 100% of the Højager Belysning shares amounted to DKK 34m, equal to an enterprise value of DKK 25m.

With the acquisition, Solar takes a strong position with the B2G market in Denmark, as Højager Belysning A/S is a leading supplier within sales of light sources and lighting for the public sector with Staten og Kommunernes Indkøbsservice A/S (in short: SKI) and the regions being their customers. Højager Belysning A/S has 28 dedicated employees.

NOTES

Accounting policies

The financial report for Solar A/S has been prepared in accordance with IAS 34 "Presentation of interim reports" as approved by the EU and additional Danish disclosure requirements for quarterly reports of listed companies.

Apart from the effect of new IAS/IFRS standards implemented during the period, the accounting policies remain unchanged from the Annual Report 2021, which contains a full description of these on pages 57-59 as well as of relevant, supplementary notes.

In the financial report, income tax has been calculated on the basis of pre-tax profits at the expected average tax rate.

New accounting standards implemented during the period

No additional standards have become effective in the period, only amendments and improvements to existing standards. These changes have no impact on Solar's accounting policies.

New accounting standards to be implemented in coming accounting periods

New or amended standards issued as at 30 June 2022 and to be implemented in coming accounting periods are not expected to have significant impact on Solar's accounting policies.

QUARTERLY FIGURES

Consolidated

	Q1		Q2		Q3		Q4	
Income statement (DKK million)	2022	2021	2022	2021	2021	2020	2021	2020
Revenue	3,462	3,004	3,451	3,098	2,872	2,618	3,380	3,057
Earnings before interest, tax, depreciation and amortisation (EBITDA)	281	204	267	211	237	177	259	191
Earnings before interest, tax and amortisation (EBITA)	236	157	218	166	192	132	212	145
Earnings before interest and tax (EBIT)	222	143	202	153	179	115	197	-14
Financials, net	-5	-20	-8	3	-20	-10	-11	-16
Earnings before tax (EBT)	217	123	193	156	159	109	184	-7
Net profit or loss for the quarter	168	100	147	148	124	83	159	-32
Balance sheet (DKK million)								
Non-current assets	1,487	1,342	1,557	1,385	1,393	1,695	1,415	1,339
Current assets	4,088	3,500	4,122	3,569	3,724	3,227	3,890	3,268
Balance sheet total	5,575	4,842	5,679	4,954	5,117	4,922	5,305	4,607
Equity	1,808	1,619	1,600	1,661	1,784	1,688	1,952	1,696
Non-current liabilities	453	498	506	457	446	497	435	498
Current liabilities	3,314	2,725	3,573	2,836	2,887	2,737	2,918	2,413
Interest-bearing liabilities, net	617	461	1,122	329	450	726	-37	128
Invested capital	2,377	2,011	2,675	1,921	2,185	2,132	1,866	1,760
Net working capital, end of period	1,791	1,344	1,856	1,280	1,568	1,363	1,259	1,109
Net working capital, average	1,475	1,300	1,619	1,274	1,325	1,365	1,363	1,322

QUARTERLY FIGURES

Consolidated – continued

	Q1		Q2		Q3		Q4	
	2022	2021	2022	2021	2021	2020	2021	2020
Cash flows (DKK million)								
Cash flow from operating activities	-202	-88	-10	351	-38	142	558	432
Cash flow from investing activities	-109	-10	-75	-63	-65	-8	-53	213
Cash flow from financing activities	-37	-71	41	-271	77	-116	-250	-397
Net investments in intangible assets	-16	-13	-14	-15	-14	-12	-16	-14
Net investments in property, plant and equipment	-59	8	-61	-47	-51	1	-35	-9
Acquisition and divestment of subsidiaries and operations, net	-34	0	0	0	0	0	0	0
Financial ratios (% unless otherwise stated)								
Revenue growth	15.2	-1.3	11.4	12.9	9.7	-5.7	10.6	-0.6
Organic growth	15.4	-2.2	11.7	10.6	8.8	-4.8	9.1	0.0
Organic growth adjusted for number of working days	13.6	-0.6	12.4	8.6	8.8	-4.8	7.1	-2.1
Gross profit margin	23.1	21.9	22.9	22.0	23.0	21.5	22.9	21.5
EBITDA margin	8.1	6.8	7.7	6.8	8.3	6.8	7.7	6.2
EBITA margin	6.8	5.2	6.3	5.4	6.7	5.0	6.3	4.7
EBIT margin	6.4	4.8	5.9	4.9	6.2	4.4	5.8	-0.5
Net working capital (end of period NWC)/revenue (LTM)	14.0	11.8	14.1	10.9	13.0	11.9	10.2	9.7
Net working capital (average NWC)/revenue (LTM)	11.5	11.4	12.3	10.8	11.0	11.9	11.0	11.5
Gearing (interest-bearing liabilities,net/EBITDA), no. of times	0.6	0.7	1.1	0.4	0.5	1.2	0.0	0.2
Return on equity (ROE)	31.9	17.6	35.1	18.2	19.7	18.9	28.4	13.1
Return on invested capital (ROIC)	26.5	16.6	25.5	21.0	23.6	11.7	24.6	13.8
Enterprise value/earnings before interest, tax and amortisation (EV/EBITA)	7.5	7.6	6.3	7.0	7.6	6.2	7.8	5.8
Equity ratio	32.4	33.4	28.2	33.5	34.9	34.3	36.8	36.8

QUARTERLY FIGURES

Consolidated – continued

	Q1		Q2		Q3		Q4	
Share ratios (DKK unless otherwise stated)	2022	2021	2022	2021	2021	2020	2021	2020
Earnings per share outstanding (EPS)	23.00	13.70	20.13	20.27	16.98	11.37	21.77	-4.38
Intrinsic value per share outstanding	247.56	221.68	219.08	227.43	244.28	231.29	267.28	232.38
Share price	749.19	480.82	597.09	541.47	632.86	301.43	795.05	353.70
Share price/intrinsic value	3.03	2.17	2.73	2.38	2.59	1.30	2.97	1.52

Employees

Number of employees (FTE's), end of period	2,996	2,901	2,995	2,899	2,897	2,891	2,936	2,864
Average number of employees (FTE's)	2,932	2,897	2,956	2,889	2,890	2,979	2,908	2,935

Definitions

Organic growth	Revenue growth adjusted for enterprises acquired and sold off and any exchange rate changes. No adjustments have been made for number of working days.
Net working capital	Inventories and trade receivables less trade payables.
ROIC	Return on invested capital calculated on the basis of operating profit or loss less tax calculated using the effective tax rate.

In all material aspects financial ratios are calculated in accordance with the Danish Finance Society's "Recommendations & Financial Ratios".

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

Today, the group's Board of Directors and Executive Board have discussed and approved the financial report of Solar A/S for the first six months of 2022.

The financial report for the first six months of 2022, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish disclosure requirements for quarterly reports of listed companies.

In our opinion, the financial report gives a fair presentation of the group's assets, equity and liabilities and financial position as at 30 June 2022 as well as of the results of the group's activities and cash flow for the first six months of 2022.

Further, in our opinion, the management's review gives a true and fair statement of the development of the group's activities and financial situation, net profit for the period and of the group's overall financial position and describes the most significant risks and uncertainties that the group faces.

In our opinion, the financial report of Solar A/S for the first six months of 2022 with the file name SOLA-2022-06-30-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Vejen, 11 August 2022

EXECUTIVE BOARD

Jens E. Andersen
CEO

Hugo Dorph
CCO

Michael H. Jeppesen
CFO

BOARD OF DIRECTORS

Michael Troensegaard Andersen
Chair

Jesper Dalsgaard
Vice-chair

Peter Bang

Katrine Borum

Morten Chrono

Denise Goldby

Louise Knauer

Rune Jesper Nielsen

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