

Advanced Soltech raises new 8-year financing with 5.9% interest

Advanced Soltech raises 18.2 MCNY (27.3 MSEK) through an 8-year sales-leaseback agreement of a newly built facility of 6 MW. The loan has a maturity of 8 years with a floating interest rate of 5.9% and the loan-to-value ratio increases by approximately 70%, compared to approximately 50% on previous financing. The company believes that it will be able to raise new financing on similar or better terms in the future. The loan will be used to complete solar power plants in China in accordance with the communicated forecast on August 7, 2023.

Max Metelius, CEO of Advanced Soltech, comments:

Our goal of replacing the expensive financing in Sweden with significantly cheaper financing in China has proven successful. The interest rate is lower, and the maturity is longer, which benefits both our profitability and improves our cash flow. We have recently extended the last remaining bond SOLT4 until 8 November 2024, which gives us plenty of time to find suitable financing with good terms for repayment.

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About the China venture

in China ASAB operates through, its wholly owned local subsidiaries Advanced Soltech Renewable Energy (Hangzhou) Co. Ltd, ASRE and Longrui Solar Energy (Suqian) Co. Ltd. The business model consists of financing, installing, owning and managing solar energy installations on customers' roofs in China. The customer does not pay for the plant, but instead enters an agreement to buy the electricity that the plant produces under a 20-year agreement. Current income comes from the sale of electricity to customers and from subsidies. The goal is to have an installed capacity of 1,000 megawatts (MW) which is fully connected to the electricity grid by 2026.

ASRE and Longrui Solar Energy (Suqian) Co. Ltd. are wholly owned subsidiaries of Advanced Soltech Sweden AB (publ).

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Attachments

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