

Advanced Soltech Sweden AB (publ) has resolved on a directed share issue of SEK 141 million which is fully subscribed, and a subsequent compensation issue for other shareholders in an amount of 99 MSEK

**The Board of Directors of Advanced Soltech Sweden AB (publ) ("Advanced Soltech" or the "Company") has on June 14, 2023, as part of the company's refinancing process, resolved to carry out a directed share issue of approximately SEK 141 million. The directed share issue is fully subscribed, but allotment is conditional on approval by the Board of Directors. The principal owners Soltech Energy Sweden AB (publ) have subscribed for shares of SEK 60.3 million and Advanced Solar Power Hangzhou Inc for SEK 58 million, a total amount of SEK 118.3 million**

The Board of Directors has also resolved, conditional on allotment of the directed share issue, to carry out a compensation issue that in practice is limited to approximately SEK 99 million with the same subscription price as the directed share issue to compensate shareholders for the dilution caused by the part of the directed share issue subscribed for by shareholders to the extent that shareholders do not subscribe in the directed share issue. The company's five largest shareholders, who have all subscribed in the directed share issue, have entered into lock-up undertakings corresponding to approximately 69% of the total number of shares after completion of the fully subscribed directed share issue as part of the construction of the compensation issue.

Full adherence to the completed directed share issue and compensation issue would entail a total injection of equity of approximately SEK 240 million.

**CEO Max Metelius comments:**

"With the new financing in place, consisting of a sale and leaseback financing agreement in China of approximately SEK 820 million complemented by this directed share issue, we have reduced interest costs, reduced currency risk and created a stable financial platform that significantly improves earnings. Now we can focus on growth again."

**Background and deviation from shareholders' preferential rights**

Since 2022, the Company has been working to find a refinancing solution of the Company's outstanding bonds with the aim of lowering the interest rate through financing in Chinese Renminbi (CNY) while reducing exchange rate risk and improving the tax situation. The 13th of June, the Company announced in a separate press release that it had entered into a sale and leaseback financing agreement with Chinese JiangSu Financial Leasing Co., Ltd. totaling approximately SEK 820 million (the "sale and leaseback financing"), in order to be part of the refinancing of the outstanding bonds maturing in July 2023.

The company previously planned to carry out a fully guaranteed rights issue of approximately SEK 200 million as a supplement to the sale and leaseback financing for repayment of all outstanding bonds.

However, it has taken longer than expected to complete the sale and leaseback financing, which has meant an increased risk that a rights issue could not be carried out in time to repay the bonds maturing in July 2023.

The Board of Directors has determined that first carrying out a directed share issue with deviation from the shareholders' preferential rights is the most advantageous option for the Company by reducing the risk for the Company regarding repayment of the outstanding bonds, which is also in the best interest of the Company's shareholders. Through the directed share issue, the Company has also gained additional investors. The company therefore considers that the above-mentioned reasons weigh heavier than the general rule that new issues shall be carried out with preferential rights for existing shareholders. The directed share issue provides the last necessary financing for repayment of the bonds maturing in July 2023.

In order to compensate shareholders for the dilution of the directed share issue, the Board of Directors has also resolved on the compensation issue.

### **Overview directed share issue**

The Board of Directors of the Company has, within the framework of the Company's refinancing announced yesterday, resolved on a directed share issue of 14,103,762 new shares at a subscription price of SEK 10 per share with deviation from the shareholders' preferential rights based on the authorization received by the Annual General Meeting on May 19, 2022. The directed share issue corresponds to an issue amount of approximately SEK 141 million before transaction costs, which are expected to amount to approximately SEK 1 million. The subscription price has been determined after negotiations with potential subscribers and corresponds to a volume-weighted average price for the Company's share on Nasdaq First North Growth Market during the last 10 trading days up to and including 13 June 2023 ("VWAP") amounting to SEK 9.98. The Board of Directors thus assesses the subscription price as market terms

The directed share issue is part of the Company's refinancing process, and the net proceeds from the directed share issue are primarily intended to be used for repayment of outstanding bonds, as well as to secure the Company's growth. The issue proceeds, together with the new sales and leaseback financing, lead to lower currency risk, lower interest expenses and an improved tax situation.

The directed share issue was fully subscribed through a total of 14,103,762 subscribed shares corresponding to a total subscription amount of SEK 141,037,620, of which shareholders in the Company have subscribed for 12,853,762 shares corresponding to 91.1% of the directed share issue. For existing shareholders who do not participate in the directed share issue, this means, upon full allotment, a total dilution of 26.2% of shares and votes, and an increase in share capital by SEK 2,820,752.40 from SEK 7,928,078.00 to SEK 10,748,830.40 and the number of shares increases from 39,640,390 shares to 53,744,152 shares.

The Company's five largest shareholders Soltech Energy Sweden AB (publ), Advanced Solar Power (Hangzhou) Inc, Isac Brandberg AB, The World We Want Foundation and Johan Torell through Gryningskust Holding AB, which together own approximately 25.7 million shares, or approximately 64 percent of all shares in the Company prior to the directed share issue, have subscribed for 12,853,762 shares in the directed share issue, corresponding to approximately 91 percent of the directed share issue and a total issue amount of SEK 128.5 million. In addition, external investors have subscribed for 1,250,000 shares, corresponding to approximately 9 percent of the directed share issue and a total issue amount of SEK 12.5 million.

The Board of Directors has not yet allotted the subscribed shares but intends to allot the shares to the subscribers in connection with the sale and leaseback payment of the financing from JiangSu Financial Leasing.

The Swedish Securities Council has granted exemption to Soltech Energy Sweden AB (publ) and Advanced Solar Power (Hangzhou) Inc from the mandatory bid rules in the event that these rules become applicable after participation in the directed share issue based on, among other things, the completion of a compensation issue.

### **Overview compensation share issue**

The Board of Directors has resolved, if the directed share issue is carried out, to carry out a compensation issue with the same subscription price as the directed share issue (SEK 10 per share). This is done to compensate shareholders for the dilution caused by the part of the directed share issue subscribed for by shareholders to the extent that shareholders do not subscribe in the directed share issue.

The compensation issue has been constructed in the form of a rights issue where five (5) existing shares in Advanced Soltech on the record date, August 22, 2023, entitle to subscription of three (3) new shares by each existing share entitles to three (3) subscription rights and five (5) subscription rights entitles to subscribe for one (1) share. The compensation issue thus comprises 32,246,491 shares in the event that the directed share issue is fully completed. However, the compensation issue has been limited to 9,881,293 shares as the shareholders who subscribed in the directed share issue have undertaken not to transfer or exercise subscription rights that give preferential rights to subscribe for 22,365,198 shares, and that allotment in the event of subscription without subscription rights has been limited to 9,881,293 shares.

The practically limited compensation issue to a maximum of 9,881,293 shares means, upon full subscription, an issue amount of SEK 98,812,930 before transaction costs of 3 MSEK and a total dilution for those who do not participate of 15.5% after the fully subscribed directed share issue has been registered. The share capital would then increase by a maximum of SEK 1,976,258.60 from SEK 10,748,830.40 to a maximum of SEK 12,725,089, and that the number of shares would increase from 53,744,152 shares to 63,625,445 shares.

In the event that the practically limited compensation issue is not taken into account, the number of shares may increase by a maximum of 32,246,491 shares from 53,744,152 shares to 85,990,643 shares and the share capital would then increase by a maximum of SEK 6,449,298.20 from SEK 10,748,830.40 to SEK 17,198,128.60 after the fully subscribed directed share issue has been registered. The dilution would amount to a maximum of 37.5% for those who would not participate in the compensation issue and the issue amount would amount to a maximum of SEK 322,464,910 before transaction costs.

Kompensationsemissionen har i övrigt följande översiktliga villkor

- *Subscription shall be made in cash at a subscription price of SEK 10 per new share.*
  - *The subscription period is from and including 28 August to and including 11 September 2023.*
  - *Subscription rights not used during the time for subscription will be invalid and lose their value. Trading with subscription rights will be available from 28 August to 6 September 2023.*
  - *In the event that not all shares are subscribed with the support of subscription rights in the Rights Issue, the board of directors shall, up to and including a total aggregated subscribed amount of SEK 98 812 930 subscribed with or without support of subscription rights within the framework of the Rights Issue, shall resolve on the allotment of shares subscribed without the support of subscription rights pursuant to the below. It is noted that some shareholders have undertaken to not use the number of subscription rights which entitles to subscribe 22 365 198 shares or transfer such number of subscription rights to the Company for cancellation.*
- a. *Firstly, allotment shall be made to those subscribers who have also subscribed for shares with the support of subscription rights, regardless of whether these were shareholders on the record date or not, and, in case of oversubscription, allotment shall be made to each subscriber in the same proportion as the number of subscription rights the subscriber has exercised is in relation to the total number of subscription rights that have been exercised by subscribers in this category and, to the extent that this cannot be done, by drawing lots.*
  - b. *Secondly, allotment shall be made to those who have subscribed for shares without the support of subscription rights and who are not covered by the preceding point a) above, regardless of whether these were shareholders on the record date or not, and, in case of oversubscription, allotment shall be made to each subscriber in the same proportion as the number of shares the subscriber has subscribed for is in relation to all shares that have been subscribed for in this category and, to the extent that this cannot be done, by drawing lots; and*
  - c. *Thirdly and finally, allotment shall be made to those who may have entered into a guarantee commitment regarding the subscription and payment of the shares that have not been subscribed by others up to each guarantor's maximum amount, and in the event that allotment cannot be made in full, allotment shall be made to each guarantor in the same proportion as the maximum amount the guarantor has committed to subscribe is in relation to the total subscription commitment in this category or other agreed allocation among those who have entered into such commitment.*

## **Lock-up commitment**

In order to ensure the limitation of the compensation issue, Soltech Energy Sweden AB (publ), Advanced Solar Power (Hangzhou) Inc., Isak Brandberg AB, foundation The World We Want and Gryningskust Holding AB have entered into lock-up undertakings with customary exceptions not to sell or in any way transfer shares in the Company up to and including the day after the record date for the compensation issue. The lock-up commitment corresponds to approximately 69% of the total number of shares after completion of a fully subscribed directed share issue.

## **Preliminary timetable for the compensatory issue**

1. August 18, 2023: Last day of trading in Advanced Soltech shares including subscription rights.
2. August 21, 2023: First day of trading in Advanced Soltech shares excluding subscription rights.
3. August 22, 2023: Record date for participation in the rights issue.
4. August 28 – September 6, 2023: Trading in subscription rights.
5. August 28 – September 11, 2023: Subscription period.
6. August 28 - week 43/44, 2023: Trading in BTA, continues until registration of the issue with the Swedish Companies Registration Office is completed during weeks 43/44, 2023.
7. September 15, 2023: Publication of subscription regarding the rights issue.

## **Preliminary time schedule for the compensation share issue**

1. 18 August 2023: Last day of trading in Advanced Soltech shares including subscription rights.
2. 21 August 2023: First day of trading in Advanced Soltech shares excluding subscription rights.
3. 22 August 2023: Record date for participating in the rights issue.
4. 28 August – 6 September 2023: Trading with subscription rights.
5. 28 August – 11 September 2023: Subscription period.
6. 28 August - week 43/44, 2023: Trading with shares as BTA, to be continued until registration of the share issue at Companies Registration Office has been completed during the weeks 43/44, 2023.
7. 15 September 2023: Publication of the result of the rights issue.

## **Change of reporting date for Q2 April - June 2023**

The board of directors has decided to prepone the publication of the quarterly report for April - June 2023 to 18th of August 2023, instead of 21 August 2023, to provide information to the shareholders on their decision to subscribe shares in the rights issue.

## **Issuing agent**

Eminova Fondkommission AB will be issuing agent in the rights issue.

**For more information, please contact:**

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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).

*This information is information that Advanced SolTech Sweden is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-06-15 08:45 CEST.*

**Attachments**

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