

## Advanced Soltech provides guidance for 2023 and 2024

Following the refinancing in China, where Advanced Soltech's (the Company) Swedish bonds have been repaid and replaced with Chinese financing in local currency, the Company has significantly improved financing costs and therefore provides a forecast for the financial year 2023 and 2024. At the same time, the purpose of the forecasts is to highlight the Company's new financial situation in 2024 relative to the financial year 2023. In summary, the Company estimates that revenues for 2024 with the assumptions described below will be SEK 272 million, that EBITDA will be SEK 203 million and profit before tax will be SEK 55 million.

A more detailed forecast for 2023 and 2024 is provided below.

<b>INCOME STATEMENT (SEK million)</b>	<b>2023f</b>	<b>2024f</b>
Revenue from electricity sales and subsidies	249	272
Direct costs (maintenance, insurance, etc.)	-32	-37
Gross margin	217	235
Gross margin %	87%	86%
Other costs (overhead, staff, etc.)	-39	-32
EBITDA	178	203
EBITDA %	71%	75%
Depreciation	-76	-83
EBIT	102	120
Net financial items (interest expenses, capital raising costs, etc.)	-122	-65
Profit before tax (EBT) excluding currency effects	-20	55

The forecast is based on the following assumptions.

-The revenue comes from the sale of green electricity and to a lesser extent from subsidies. Both revenue streams have historically proven to be very reliable. The cost side consists mainly of financing costs and depreciation and a smaller part relating to the operation and maintenance of the Company's facilities. With the new financing structure in place, the Company assesses the cost side as stable and predictable.

-The company concludes its started projects and by the end of Q1 2024 will have 290 MW of installed and revenue-generating solar energy capacity. At present, the Company has 252 MW of revenue-generating capacity. However, the level of ambition for new installed solar energy plants in the financial year 2024 is higher than the assumptions in this forecast. The forecast is based on assumptions that the Company deems safe (see below regarding financing). If the installed capacity is expanded to a greater extent, revenue, and profit increase proportionally.

-The company raises CNY 80 (approximately MSEK 120) in new loans in China during the second half of 2023 to finance the new facilities and that the compensatory rights issue with subscription period August 28 – September 11, 2023, which in practice is limited to approximately SEK 99 million, is carried out. The rights issue compensates the shareholders for the dilution caused by the part of the directed share issue of approximately SEK 141 million that was subscribed for by shareholders in June 2023, to the extent that shareholders did not subscribe in the directed share issue. Part of the proceeds from the rights issue, SEK 70.5 million, will be used for repayment of the last Swedish bond, SOLT4, maturing in November 2023. The company has parts of the loan financing in China secured, and also assesses the remaining part up to CNY 80 as secure after negotiations with Chinese lenders.

- CNY/SEK 1.50 is used for the forecast. With its new financing structure, the company essentially has both income and expenses, as well as assets and liabilities, in CNY, which significantly reduces currency risk.

Max Metelius, CEO Advanced Soltech comments:

We look to the future with great confidence. Our order book is well filled and the Chinese market for financing roof-based solar energy is well functioning and available for Advanced Soltech. The underlying market for solar energy as a service remains strong and our ability to reach our operational targets of 1 GW of installed and commissioned solar capacity by 2026 has been significantly improved by the new financing that also enables continued expansion. We are now providing the market with guidance for 2023 and 2024 based on assumptions that we consider reliable in order to clarify for our shareholders the positive earnings effects of the new financing that will arise already in the second half of 2023 and the opportunities that it entails going forward.

**For more information, please contact:**

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## About the China venture

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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 2023-08-07 15:00 CEST.*

## Attachments

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