

Advanced Soltech signs order in China that generates approx. SEK 81 million during the contract period

Advanced Soltech's subsidiary in China, has signed an order with Anhui XingDa Power Machinery Co. Ltd., a company in the autoparts industry. The order concerns the installation of a solar energy plant of approx. 5 megawatts (MW) and is estimated to generate annual income from electricity sales of approx. 4.05 MSEK, or approx. SEK 81 million during the agreement's 20-year term. The investment in the facility, which will be owned by Advanced Soltech's wholly owned subsidiary in China, amounts to approx. SEK 32 million and construction start is planned for the third quarter of 2022. The annual savings in carbon dioxide emissions are estimated at 3,200 tonnes. The project achieves good profitability without subsidies and is in Anhui Province.

Advanced Soltech's CEO Max Metelius comments:

-Advanced Soltech's underlying market continues to be very strong, and we also see some other good news. Last week, the Chinese central bank, lowered the key interest rate, which reduces borrowing costs in local currency (CNY) and stimulates the economy. The COVID situation in Shanghai has improved and we estimate that the 25-million city, which also has one of the world's largest ports, will begin to open up in the next few days.

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 2024.

Attachments

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