

Advanced Soltech receives new 8-year financing with 6% interest

Advanced Soltech receives CNY 18 (MSEK 27 MSEK) through an 8-year sales leaseback agreement. The loan runs for 8 years with 6% floating interest rate and the loan-to-value ratio increases in this loan to about 70% of the asset value, compared to about 50% on previous financing. The company expects to be able to raise new financing on similar or better terms going forward. 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 Advanced Soltech, comments:

This is a smaller loan, but it shows that our new financing structure allows us to raise loans in China with significantly lower interest rates and better terms than before. Our assessment is that there is room to further improve the terms for financing going forward. We currently have over 260 MW of connected solar capacity, which is in line with our forecast to reach 290MW of installed capacity before the end of the first quarter of 2024.

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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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