

Advanced Soltech signs an order in China that generates approx. SEK 63 million during the contract period

Advanced Soltech's subsidiary in China, has signed an order with BaoheTang (BoZhou) Pharmaceutical Co. The order concerns the installation of a solar energy plant of 6 megawatts (MW) and is estimated to generate annual revenues of approximately SEK 3.15 million, or approximately SEK 63 million during the agreement's 20-year term. The investment in the plant, which will be owned by Advanced Soltech's wholly owned subsidiary in China, amounts to approximately SEK 28.6 million and construction is planned to start in the first quarter of 2022. All electricity produced is sold directly to the grid and the local authorities bear the labor cost in the project, which achieves good profitability with a very low counterparty risk. This project is in Anhui Province.

Advanced Soltech's CEO Max Metelius comments:

-This is our first order as a listed company. Our focus is now on creating a better financial structure and ensuring that our project portfolio grows rapidly, which creates value for our shareholders, our customers and is extremely important for the climate.

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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