



SolTech Energy

New order for SolTech's ASRE in Shanghai generates 58.5 MSEK over the contract's term

SolTech Energy's jointly owned subsidiary, ASRE, in China has signed an order with Shanghai Electric Lingang Heavy Machinery Co. Ltd. (a part of Shanghai Electric Group Co. Ltd.). The order covers the installation of a 2.5 MW (megawatt) solar energy unit, estimated to provide an annual income amounting to approximately 2.9 MSEK (0.3 MEUR). Over the contract's 20-year term, estimated cumulative income is estimated to amount to approximately 58.5 MSEK (6 MEUR).

The installation is estimated to cover a surface measuring circa 2.5 hectares (25,000 m²) and produce circa 2,500,000 kWh annually. The customer contractually commits to buying all the electricity the installation produces over 20 years. Over this same period, ASRE receives subsidies from the central government based on every kilowatt-hour (kWh) delivered to the customer. Investment in the installation, which continues to be owned by ASRE, amounts to approximately 18.3 MSEK (1.86 MEUR) and it is estimated to be completed during the third quarter of 2018.

CEO Frederic Telander comments:

- "Shanghai, with a population of 25 million, is a very interesting market. Moreover, the governmental authorities act quickly to couple installations to the central network when they are fully completed, which, in turn, means a quicker start of new income flows to ASRE. We have established a customer base for some time now in Shanghai, a plus factor that demonstratively also generates more business.

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The information contained in this press release conforms to that which SolTech Energy Sweden AB (publ.) is required to make public according to the EU's regulation.596/2014 concerning securities market abuse. Said information is furnished, via the above-cited contact person's authorization, for publication on 1 February 2018, 08:30 CET.

SolTech Energy in brief:

SolTech Energy develops and sells building-integrated solar energy products for all forms of building structures – commercial, public and residential. The products are a part of a building's outer shell, as a roof, wall or window, containing semi-transparent solar cells for the production of electricity that simultaneously shuts out solar heat. Soltech Energy Sweden AB (publ.) is traded on First North at Nasdaq Stockholm, under the symbol "SOLT" with over 14,000 shareholders. Also included in the concern are its jointly owned (51%) subsidiaries ASAB in Sweden and ASRE in China, as well as its wholly owned subsidiary Wasa Rör T Mickelsson AB. The company's Certified Advisor is G&W Fondkommission (securities broker). For more information see: www.soltechenergy.com.

Investment in China

SolTech's investment in China is carried out by a jointly owned company, Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd (ASRE), where SolTech owns 51 percent and Advanced Solar Power Hangzhou Inc. (ASP) owns 49 percent. The business model consists of having ASRE finance, install, own, and periodically service solar energy installations mounted on the roofs of customer-owned facilities. The customer does not pay for the installed solar energy unit, but instead undersigns a long-term, 20-25 year contract to buy all the electricity and/or thermal heat the relevant unit produces. ASRE's current income comes from the sale of electricity to customers, along with various forms of subsidies per produced kWh. Focus is now concentrated on building a backlog of orders for 2018 and beyond, with the goal of obtaining an installed capacity of 605 MW (megawatts) by the close of 2021, which in 2022 will be set into full operation, generating current annual sales amounting to approximately 1 billion SEK (100 MEUR).