



Press release – book close communiqué 2017 - SolTech Energy Sweden AB (publ.)

Strong growth in China and increased focus on building-integrated solar energy.

January – December 2017

- The energy sales business area of Advanced SolTech Renewable Energy Hangzhou Co. Ltd. (ASRE) grew over 650 % throughout the period, reflecting net sales amounting to approximately 20 MSEK (2 MEUR), of which 51% (10.2 MSEK) is consolidated in the Concern.
- The Concern's intake, 49.8 (49.9) MSEK, under the period is essentially unchanged when compared with the previous year.
- The operational result for the Concern amounted to -17,6 (-15,7) MSEK. Cleared of non-recurring costs, the operational loss amounted to -13.6 MSEK.
- The Concern's result, after financial costs and tax, amounted to -22.3 (-18.6) MSEK.
- The result per share amounted to -0.72 (-0.60) SEK.
- The preferential rights issue in SolTech was 147 % subscribed and provided 90 MSEK before new issue costs and was conducted with G&W Fondkommission (Security Brokers) as Financial Advisor.
- One-time entry for the write-down of shares in Wasa Rör negatively affects the Swedish operation 2.5 MSEK. The Concern's growth and result have additionally been negatively affected by a 14 MSEK sales reduction at Wasa Rör and an income drop from 4 to -1.15 MSEK, which in large part was compensated for by the growth and profit at ASRE, but not completely.
- Cash flow amounted to 9.8 (25.5) MSEK. The cash flow has been affected by, among other factors, funds provided by a new share issue in the parent company, whereof 40 MSEK was paid in before the turn of the year and 49.7 MSEK was received in January 2018.
- Investment in solar energy installations in the jointly held company in China, ASRE, amounted to approximately 294 MSEK (29.4 MEUR) as of the book closing day and includes approximately 71.4 MSEK that was received under 2017. The Concern's share is 51 %. The capacity of installations coupled to the central electric network totals the equivalent of 29.08 MW, estimated to generate a current annual income for ASRE amounting to approximately 45 MSEK (4.5 MEUR).
- The annual general meeting will be held on 29 May 2018 at Nasdaq Stockholm's locale in Frihamnen. The meeting will be directly coupled to a capital market day in cooperation with Nasdaq Stockholm and Avanza Bank. The board of governors recommends that no dividend return be declared for the period.

Second-half of 2017

- Net sales amounted to 25 (24) MSEK; an increase of 12.1 % compared with the previous year.
- The period's result amounted to -10.6 (-9.2) MSEK.
- The per share result amounted to -0.36 (-0.31) SEK/share.
- Cash flow mounted to 35.3 (9.5) MSEK.

After the book-close period's result

- A successful bond offer together with Avanza Bank. The Concern was provided 128 MSEK, before new issue costs, for the purpose of continuing investment in solar energy installations in China.
- SolTech Energy gets its first Norwegian customer under the Sapa agreement contract and opens up a new market.
- SolTech Energy receives an order for the installation of ShingEI on seven single-family houses.
- YAn additional 4.35 MW (megawatts) are coupled to the central electric network, generating income for the 51%-owned Chinese company, ASRE.
- ASRE receives an order for 2.5 MW, estimated to provide annual income amounting to approximately 2.9 MSEK, or 58.5 MSEK over the contract's 20-year term.

The complete book-closing communiqué can be downloaded on the following link: [Bokslutskommuniké 2017 – SolTech Energy Sweden AB \(publ\)](#)

The CEO comments

During 2017 we have focused on our growth areas: ASRE in China, our exclusive cooperation with Sapa Building Systems in the Nordic and Baltic regions, and SolTech ShingEI, which is both a roof panel and solar cell for the production of electricity. The development of ASRE has been very strong during the year, with over 650 % growth – and we see the same trend continuing under 2018.

We have a backorder log of 22.94 MW – 10.43 MW under construction and 29.08 MW that are coupled to the electric network, generating income. With the use of the capital that was provided by the new bond issue, we expect to build and set into operation

an additional circa 15 MW of solar energy capacity during the first half of 2018. On top of that, our Chinese partner has signed an order for 13 MW, which will be sold to ASRE after the installation has been set into operation.

The cooperation with Sapa is running according to plan, and with an expanding pipeline of big and attractive projects. Here and now, however, we need patience before we will see the final result of our work. Our products are an integral part of the overall design of a building's outer shell, which in turn means long project times from the start to the implementation of contracted installations. In the meantime, we have many building projects that are very near their starting date and we expect to start climbing our actual growth curve together with Sapa. Our own product SolTech ShingEI has experienced – ever since its launching on SNEC – strong interest. During 2017 and thus far into 2018, we have, for example, signed a distribution contract with – and also obtained our first ShingEI order from – Rexel, which is one of the world's leading electrical wholesalers, with operations in 23 countries, 19 of which are solar energy users. Through this contract, ShingEI will be marketed in Sweden via, among other locales, the 63 Segla och Storel stores that are part of the Rexel concern. The overall plan, however, is to successively grow internationally together with Rexel in their other markets. Clearly notable, among other ShingEI customers, are Vasakronen, one of Sweden's biggest realtors and Myresjöhus as well as a number of other realtor and construction companies and private individuals. The sum total value of ShingEI orders so far amount to 9.6 MSEK; the majority of which will be generating income during the first half year of 2018. In order to create the right pre-conditions for ShingEI's growth with the sector, we have also signed a contract with Svea Solar that has nationwide sales and installation capacity

So far, everything is looking positive with great potential for strong growth during 2018. This is also reflected in the oversubscribed preferential rights new share issue in November/December 2017 that brought in 90 MSEK and made possible continued investment in China, as well as in other SolTech focus areas. However, during 2017 we have also experienced a number of disappointments, not least the 14 MSEK sales decline at Wasa Rör and the accompanying result loss, from 4 MSEK to -1.15 MSEK, which is to say, a total result affect of -5.15 MSEK compared with 2016. In large part this was due to a constant high level of building activity and a reorganization that didn't fully function according to plan. Taking into account both Wasa Rör's negative change and the cost of 4.5 MSEK for the never-realized bond issue with Danske Bank during 2017, the affect on the concern's result totals -9.65 MSEK. A great deal has been compensated for by the fine development of ASRE, but not all. To avoid similar developments during 2018, we will be setting more focus on ASRE in China, on ShingEI, and on cooperation with Sapa.

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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 27 February 2018, 17:15 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).