



SolTech Energy

SolTech's ASRE receives new order generating 44.6 MSEK over contract's term

SolTech's jointly owned company in China, Advanced SolTech Renewable Energy Hangzhou Co. Ltd, has signed an order with Jiangsu Youjia Gloves Ltd. The order covers the installation of a 2-megawatt (MW) solar energy unit estimated to provide annual earnings amounting to approximately 2.23 MSEK (230,000 EUR). Over the contract's 20-year term, cumulative income is estimated to total approximately 44.6 MSEK (4.46 MEUR).

The installation will cover a roof surface measuring circa 2 hectares (ca. 20,000 sq. m) and annually produce circa 2,100,000 kWh. The customer is contractually committed to buying all the electricity the installation produces over 20 years. Over this same period, ASRE receives subsidy payments from the central government based on every kilowatt-hour (kWh) delivered to its customers. Investment in the installation, which continues to be owned by ASRE, amounts to approximately 13.5 MSEK (1.35 MEUR). The installation is estimated to be completed during the third quarter of 2018.

CEO Frederic Telander comments:

– Jiangsu Province, with a population in the area of 2,100,000, lies adjacent to Shanghai and is a region undergoing strong development. Business possibilities here – and in the whole of China – are, conservatively put, comprehensive; and we have only begun our journey. Our on-going new bond issue in our subsidiary Advanced SolTech Sweden AB (publ.), together with Avanza Bank and G&W Fondkommission, is a channel in the plan for the continued financing of our expansion in China. By lowering the installation cost per watt and reducing the customer-rebate per produced kWh, combined with a gradually higher price of electricity over time and – not least – more effective solar cells, we have the means to fully compensate for the Chinese central government's adjustment of the subsidy levels and retain the same earnings on invested capital that existed before this reduction notification.

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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 5 June 2018, 14:30 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 ca. 15,000 shareholders. Also included in the concern are its jointly owned (51%) subsidiaries ASAB in Sweden and ASRE in China (below is more info on ASRE). 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 installation, 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).