



SolTech Energy

SolTech's ASRE acquires a record 12.7 MW newly-constructed installation from ASP for approximately 86 MSEK

SolTech carries out the contract with the concern's Chinese partner ASP that was made public on 11 December 2017, relating to the takeover of a record 13 MW order made by the JiangSu YangHe Brewery. After the completion of its construction, the final calculated effect of the installation amounts to 12.7 MW as opposed to the earlier planned effect of 13 MW.

Consequently, annual income generated by the installation is now estimated to be approximately 13.8 MSEK versus the earlier given estimate of 15.4 MSEK. The installation's contracted cost of investment amounts to approximately 86 MSEK versus the earlier proffered figure of 96 MSEK. Over the contract's 20-year term, cumulative income is now estimated to mount to approximately 276 MSEK as opposed the earlier proffered figure of 308 MSEK.

Background

On 11 December 2017, SolTech publicly announced that JiangSu YangHe Brewery Joint-Stock Co Ltd. had placed an order for a 13 MW capacity solar energy installation to be constructed on the roof of their factory. The order was signed by SolTech's Chinese partner Advanced Solar Power Hangzhou Inc. (ASP). This departure from normal contract procedure occurred in order to meet the JiangSu YangHe Brewery's fundamental requirement that the supplier of the solar energy installation must have, at least, a five-year financial record made up of duly certified annual book-closing statements. As ASRE was grounded as recently as 2015, the company could not possibly meet this requirement. Instead, ASP could and did, and a separate contract was drawn up between ASRE and ASP to the effect that ASRE would acquire the installation when it had been completed and set into operation. Originally, this was not expected take place until the third quarter of 2018, but satisfactorily enough, this stipulation was already accomplished during the second quarter. Hence, ASRE, in accord with established planning, herewith takes over the installation from ASP.

The installation covers a roof surface measuring circa 12.7 hectares (127,000 m²) and is estimated to produce circa 13,843,000 kWh annually. The customer is contractually committed to buying all the electricity the installation produces over the course of 20 years.

With the inclusion of this installation, ASRE has now obtained a cumulative total capacity of 52.21 MW; coupled to the central electrical network and generating approximately 70.8 MSEK annually on a rolling 12-month basis, with a good margin of profit. As ASRE is consolidated into the SolTech concern in accord with the Proportional Method, SolTech's share of this income will be 51 percent.

VD Frederic Telander i en kommentar:

– We are thankful to Asp for having financed and constructed this installation that covers a surface area virtually equivalent to that of 18 football (soccer) fields, and produces – every year – as much electricity as the amount consumed by roughly 1,000 normal-sized, modern Swedish houses. This marks the first time we have acquired a completed installation coupled to the central electric network, which has made it possible for us to maintain the pace of our capacity expansion as planned.

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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 18 July 2018, 10:00 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).