



SolTech and ASP position ASAB's stock exchange introduction for the late fall 2019 - follow up of financing strategy from October 2017

The stock exchange introduction of SolTech Energy's Chinese business operation, with Advanced SolTech Sweden AB (publ.) as the proposed parent company, is planned to be carried out during the late fall of 2019. As it happens, this timeframe represents a postponement of the previously envisioned and announced second quarter of 2018.

Background

ASAB's owners, SolTech and Advanced Solar Power Hangzhou Inc. (ASP), find that, in today's situation, alternative financing solutions for the Chinese operation are more favorable than an issue of shares with attendant listing. A wait and see policy has also provided time for the building of an even more solid platform to base the introduction on, with both sales as well as profits having risen notably higher. ASAB's introduction on the stock exchange will aim to facilitate the further financing of growth in China, partially by the separate, ongoing development of SolTech and ASP's respective operations, and partially by creating better transparency and comprehension of the Chinese business operation.

Follow up of the financing strategy from October 2017

The result of SolTech's financing strategy that was released in October 2017 is as follows:

Over the period 9 January–18 July 2018, SolTech's Chinese business operation, Advanced SolTech Renewable Energy Hangzhou Co. Ltd. (ASRE), has coupled solar installations with a sum total capacity equivalent to 15.5 megawatts (MW) to the central electric network, and has also taken over a 12.7 MW installation from SolTech's Chinese partner ASP. As of this writing, ASRE now has a total capacity of 52.21 MW coupled to the electrical network in China. On a cumulative, 12-month rolling basis, this capacity generates income amounting to approximately 70 MSEK (7 MEUR) annually. In addition, ASRE has 2.73 MW under construction, a backorder log totaling 25.24 MW, and a 95 MW pipeline project that is continuously being worked on.

To date, the above capacity has been financed as outlined below

The jointly owned (51% SolTech and 49% ASP) Swedish subsidiary ASAB carried out, during the spring of 2018, its first new bond issue with proceeds amounting to 65.5 MSEK, whereof 6.1 MEUR (ca. 58.5 MSEK) were loaned out to ASRE

- In the identically proportioned, jointly held Chinese company, ASRE, SolTech and ASP have thus far, and in proportion to their ownership, invested 19 MEUR (ca. 180 MSEK) of their own capital that was provided to ASRE.
- During the first quarter of 2018, ASAB carried out a new green bond issue directed to the general public amounting to 128 MSEK. These funds have been loaned out to ASRE.
- Instead of the above-discussed introduction of ASAB on the stock exchange during the second quarter of 2018, an additional green bond, amounting to 148 MSEK, was issued to the general public. The major portion of the liquidity afforded by this issue was furnished to ASRE. A smaller, remaining portion is under registration in China and will soon be provided without restriction.
- In addition, ASRE has obtained loans totaling 34 MSEK from the Bank of China and negotiations with a further number of Chinese bankers and credit institutions are ongoing.

The financing strategy in place up to the late fall of 2019

ASRE intends to finance the remaining part of 2018's capacity goal, as well as 2019's, by:

- Continuing the issue of green bonds in ASAB, as they have proven to be very successful.
- Additional bank loans.
- Selling selected parts of the installation portfolio in accord with previously announced strategy.
- Direct injections of capital in ASRE, which are primarily expected to come from the above-discussed stock exchange listing of ASAB.

It is the Board of Directors' judgment that, with implementation of the above financing measures, the stock market value of SolTech should develop in a positive direction, more specifically; in pace with the increased sales and profit of the Chinese business operation – but also: As the commercialization of SolTech ShingEI and other SolTech products starts to speed up, so too should the company's stock market value.

For more information, please contact: Frederic Telander, CEO SolTech Energy och Advanced SolTech Sweden. Tel: 08-441

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 15 August 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" and has over 15,000 shareholders. Also included in the concern are its jointly owned (51%) subsidiaries ASAB in Sweden and ASRE in China. The company's Certified Advisor is G&W Fondkommission (securities broker). For more information see: www.soltechenergy.com.

Advanced SolTech Sweden AB (publ) – ASAB

For the express purpose of financing investment in China, the SolTech concern's parent company and its partner in China, Advanced Solar Power Hangzhou Inc., have formed ASAB. ASAB's business operation is centered on financing the construction of solar energy installations in China that are owned and periodically serviced by ASRE or its wholly owned subsidiaries. As security for said loaned out funds, ASAB holds contractual claim to underlying assets (solar energy installations and customer receivable accounts). The company's Certified Advisor is Mangold Fondkommission AB. Tel: +46 8 5030 1550. For more info, see: www.advancedsoltech.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 (ca. 95 MEUR).