



SolTech Energy

SolTech's subsidiary, ASAB, releases the prospectus for a 5-year green bond, yielding 8.25 percent annual interest

On August 15, 2018, the Board of Directors of Advanced SolTech Sweden AB (publ.) (ASAB) decided to offer a new bond issue directed at the general public in the amount of 150 MSEK (ca. 15 MEUR), with an over-allocation/subscription right up to a maximum amount of a further 150 MSEK. The bonds are freely transferable and will be listed for trading on First North Sustainable Retail Bonds at Nasdaq Stockholm, with first trading day planned to take place on November 12, 2018. Avanza Bank AB is the Financial Advisor.

ASAB's business operation is centered on financing the SolTech-concern's construction of solar energy units in China. These units are installed, owned and periodically serviced by the jointly owned Chinese subsidiary Advanced SolTech Renewable Energy Hangzhou Co. Ltd. (ASRE). ASAB's income consists of interest earnings paid in on the loans provided to ASRE, or its wholly-owned subsidiaries in China. As security for these loaned out funds, ASAB will have contracted legal claim to underlying assets, which is to say; the solar energy installations, as well as customer receivable accounts, owned by ASRE in China. SolTech and its Chinese business partner, Advanced Solar Power Hangzhou Inc. (ASP), have thus far, and in proportion to their ownership share – 51 and 49 percent, respectively – invested 190 MSEK of their own capital in ASRE. In August 2018, ASRE's solar energy installations had a cumulative total capacity equivalent to 52.21 MW coupled to the central electric network. An additional 2.73 MW are under construction. The last installation that ASRE invested in is mounted on the roof of one China's largest producers of wine and alcohol. The installation covers a surface measuring circa 127,000 sq. meters, or 18 football fields, with an installed effect of 12.7 MW (127,000,000 watts).

The business operation in China is growing. The goal for 2018 is to install 88 megawatts (MW) of solar energy capacity, which corresponds to an investment of approximately 616 MSEK. ASRE has a backlog amounting to circa 24 MW, and a circa 95 MW pipeline project that is periodically being processed. It is to address this backlog and to convert this pipeline to a concrete project that the investment capital is needed.

CEO Stefan Ölander comments:

– The SolTech concern's new-installation pace is going to accelerate as a result of this financing. And as you're aware, the more solar energy units we get installed and coupled – the faster we generate long-term, positive cash flow. The potential is immense. As it stands today, SolTech's installed and income-producing solar energy installations are generating approximately 50 MW more electricity than the just-over 2 MW of installed capacity reported two years ago when ASAB issued its first bond. Investing in ASAB's bonds, in addition to securing a handsome yield, is investing money where it makes a concrete and highly apparent environmental good: We are helping China replace coal energy with solar energy.

SUMMARY OF THE OFFER

Subscription period: September 24 – October 15, 2018

Denomination and nominal amount: 5 000 SEK per bond. The minimum amount to subscribe is four (4) bonds (20 000 SEK):

Thereafter, in increments of one (1) bond.

Interest: 8.25 % annually

Interest due dates: January 15 and July 15, with first payout falling due on January 15, 2019.

Bond release date: November 9, 2018

Bond repayment date: November 8, 2023

Preliminary first trading day: November 12, 2018

Bonds amounting to a sum total value of 150 MSEK are offered within the framework of the offer. However, the bond issue's maximum value can amount to 300 MSEK (ca. 30 MEUR): The Company intends to allocate Bonds over the amount of 150 MSEK in the event the Offer is oversubscribed. Should the Offer be subscribed to the maximum amount of 300 MSEK, the new issue costs would then amount to approximately 10 MSEK.

The complete prospectus, officially approved by the Swedish Financial Supervisory Authority (*Finansinspektionen, FI*), as well as a summary of the Offer may be downloaded, as of September 24, 2018, from ASAB's homepage: www.advancedsoltech.com. In addition, this information can also be accessed for downloading on the homepages of Avanza: www.avanza.se and *Finansinspektionen*: www.fi.se. Printed copies of this documentation are also available at the SolTech concern's office located at Upplagsvägen 1 in Stockholm (Årstaberget).

For more information, please contact:

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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, Stefan Ölander's authorization for publication on 20 September 2018, 14:00 CET.

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, via making loans to the concern's companies, solar energy installations in China that are owned and periodically serviced by ASRE or its wholly owned local 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.

SolTech Energy Sweden AB (publ) – parent company of the SolTech-concern

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 or wall, for the production of electricity. 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.

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 2018-19 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. 100 MEUR).