



SolTech Energy

SolTech's ASRE takes over 70 percent of a solar energy portfolio in China that provides income amounting to approximately 110 MSEK over 20-year span

SolTech Energy's jointly owned company in China, Advanced SolTech Renewable Energy Hangzhou Co. Ltd, ASRE, has taken over 70 percent of an operational, income generating solar energy portfolio in China, consisting of 18 solar energy installations mounted on the roofs of customer facilities in the city of Shaoxing, located in Zhejiang Province. The combined total annual production capacity of these installations is 6.67 MW. ASRE acquired 70% ownership of the portfolio – which is to say, the 18 installations – from the three companies that owned it, by purchasing 70% of its stock for 28,872,000 Swedish crowns (ca. 2.9 MEUR). For ASRE's part, estimated annual income generated by these installations will amount to approximately 5,491,000 SEK, or close to circa 110,000,000 SEK (ca. 11 MEUR) over the contract's 20-year term.

All the installations are coupled to the central electrical network and produce about 6,336,500 kWh annually, which is equivalent to the yearly electrical consumption of circa 253 Swedish single-family homes. After ASRE's stock purchase, the sellers of the portfolio own 30% of the operative company and guarantee that the electrical production per installed watt and year will be as promised, and that the customers with rooftop solar cell installations pay their respective electricity invoices on a regular basis. In the event that payment from one or another customer is not received by ASRE within three months of the payment-due date, then the minority owner pays the billing. In this way, ASRE has ensured its income.

CEO Stefan Ölander comments:

"Thus far, we have only taken orders from customers and built installation on their roofs; a practice we also intend to continue. Via our contact network in China, we are occasionally invited to take over an already constructed, operational and income producing installation that is being run in accord with the same methods we use at ASRE. And providing there is a positive relation with regard to quality of components and performance relative to profit on invested capital, we then act on the invitation to take over. This is just such business proposal, which moreover saves us some three to four months building time since the portfolio generates income beginning the very first day. The relative purchase price gives our share an annual return on invested capital of about 19 percent: In short, a very good business deal for us."

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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 26 November 2018, 07:00 CET.

SolTech Energy in brief

SolTech Energy develops and sells esthetic, building-integrated solar energy products for all forms of building structures – commercial, public and residential. The products are part of a building's outer shell, as a roof or wall, with integrated solar cells for the production of electricity. The concern also operates in China, where the business model consists of financing, owning and servicing solar energy installations on the roofs of customer owned facilities, and of selling all the electricity these installations produce. 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 Erik Penser Bank. For more information see: www.soltechenergy.com

Investment in China

SolTech's investment in China is carried out by Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd (ASRE), which is jointly owned by our partner, Advanced Solar Power Hangzhou Inc. (ASP). 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 the relevant unit produces. ASRE's current income comes from the sale of electricity to customers, along with various forms of subsidies based on kWh production. Focus is now concentrated on building a backlog of orders for 2019 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).

