



SolTech Energy

## **SolTech Energy's subsidiary enters a contract with Danske Bank for the purpose of seeking "Green" bond financing to install 50 MW of solar electricity in China during 2017**

The goal of SolTech's jointly-owned subsidiary in China, Advanced SolTech Renewable Energy Hangzhou Co. Ltd. (ASRE), for 2017, is to finance and install solar energy units on the roofs of customer facilities amounting to a total capacity of 50 MW (megawatts). This will require an investment of approximately 500 million SEK (50.3 MEUR). SolTech Energy's Swedish subsidiary, Advanced SolTech Sweden AB (ASAB), which is jointly owned by SolTech's Chinese partner, Advanced Solar Power Hangzhou Inc. and charged with responsibility for the financing of loans for the SolTech Group's investments in China, has therefore signed a contract with Danske Bank for the purpose of investigating the possibility of issuing Green Bonds. The ultimate objective is to finance 2017's Chinese investment by the issuance of Green Bonds to Danske Bank's network of institutional investors and wealthy private individuals, amounting to a sum total value of 500 MSEK (50.3 MEUR)

ASAB has previously offered a new bond issue with proceeds amounting close to 65 million Swedish crowns (6.8 MEUR). This issue is now traded on the First North Bond Market. Danske Bank will act as the structural entity for SolTech Energy's green bond framework. CICERO, an independent analysis and research institute at Oslo University, will be giving a so-called "second opinion" on the proposed green bond's framework and platform.

### **CEO Frederic Telander comments:**

We are gladdened and proud over the increased cooperation with Danske Bank, our standard bank going back many years. Issuing green bonds underscores our work with renewable energy. In addition, our cooperation with Danske Bank and CICERO also shows the weight and quality for investors with a focus on sustainability. Our focus just now is primarily directed on business that will take place throughout 2017, but we are also heartened by having found a possible source of financing for future investments in China over the coming years.

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### **SolTech Energy in brief**

*SolTech Energy develops and sells a solar energy system based on research carried out over several years at Kungliga Tekniska Högskolan (KTH- Royal Institute of Technology). The system is a part of a building's outer shell; specifically, roofs and/or walls formed of glass (panels or glass plates) that function as both weather protection and sun-catchers for the production of heat, hot water and electricity. The assortment of suitable glass also includes unique thin-film solar cells in black and/or semi-transparent glass – or as isolated glass modules in various sizes and formats that promote integration with a building's outer shell.*

*SolTech Energy Sweden AB (publ.) is traded on First North at Nasdaq Stockholm, under the symbol "SOLT". Included in the concern are its jointly owned (51%) subsidiaries Advanced SolTech Sweden AB (publ.) ASAB, and Advanced SolTech Renewable Energy, Hangzhou Inc. (ASRE), as well as its wholly owned subsidiary Wasa Rör T Mickelsson AB. The company's Certified Advisor is G&W Fondkommission (securities broker). For more information see: [www.soltechenergy.com](http://www.soltechenergy.com)*

### **Green Bond Information**

*Green Bonds are subject to the same regulations and standards that apply to the issuer's other bonds with respect to credit risk, documentation and applicable body of business/financial law. Green bonds, however, are thematic in that capital raised from carrying out new "green" bond issues is earmarked for environmentally friendly projects as defined in the issuer's "Green Bond Framework". Via press releases and its website, the issuer openly discloses the specific investments that are conducted with the use of the capital proceeds of the relevant new "Green Bond" issue. This disclosure contains specific information about how the capital was invested: Providing, for example, details – whenever possible – about specific projects, including in certain cases information as to the size of the expected CO<sub>2</sub> reduction that will come about as a result of a given project. In practice, green*

bonds are verified as being “green” by an independent party. SolTech has chosen CICERO in Norway, an independent analysis and research institute at Oslo University, as its external independent verification party.

### **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 is the majority (51%) owner and Advanced Solar Power Hangzhou Inc. (ASP) the minority (49%) owner. The business model consists of having said jointly owned company, ASRE, responsible for the installation, ownership, and periodic maintenance of 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, in combination with various forms of subsidies per produced kWh. The strategy is to build a backlog of orders for 2016 and beyond, with the goal of obtaining by the year 2019 an installed capacity of approximately 230 MW, which in 2020 will be set into full operation, generating current annual sales amounting to approximately 400 MSEK (40.1 MEUR).