



SolTech Energy

Year-end 2016 - SolTech Energy Sweden AB (publ)

Strong growth and continued market investment

January – December 2016

- Net sales increased under the period to 49.3 (40.1) MSEK; a 23% increase as compared with the previous year
- Earnings result after taxes amounted to -15.7 (-13.1) MSEK / -1.65 (-0.14) MEUR
- The concern's result after taxes amounted to -18.6 (-13.2) MSEK / -1.96 (-1.39) MEUR
- Earnings per share amounted to -0.60 (-0.52) SEK / -0.06 (-0.05) MEUR
- Lump sum write-off of inventory in the Swedish business operation amounted to 2.8 MSEK (0.29 MEUR)
- Cash flow amounted to approximately 9.8 (25.5) MSEK / 1.03 (2.68) MEUR, including funds provided by a new stock issue in the parent company and issue of bonds.
- Investment in solar energy installations in the jointly-owned company in China, Advanced Renewable Energy Hangzhou Co. LTD. (ASRE), amounted to approximately 160 MSEK as of year-end closing. The concern's share amounts to 51 %. Installations producing the equivalent of 16.13 MW have been coupled to the central electric network and are estimated to generate continuous annual earnings for ASRE amounting to approximately 27 MSEK.
- The Board of Directors recommends that no dividends be paid out for the period.

Second half/2016

- Net sales amounted to 24 (19.4) MSEK; a 23.7% increase as compared with the same period in the previous year.
- The period's result amounted to -9.6 (-7.8) MSEK / -1.01 (-0.82) MEUR
- Earnings per share amounted to -0.31 (-0.31) Swedish crown/share / -0.03 EUR
- Cash flow amounted to -33.7 (-16.8) MSEK / -3.5 (-1.77) MEUR

Subsequent to the report period's release

- The order backlog for ASRE in China* stands at 17.4 MW (megawatts) solar energy installations, as compared with a backlog in the area of 8.68–10.68 MW reported for the same period the previous year.
- On the strength of robust sales developments, a new five-year cumulative sales goal (2017-2021) has been set at 605 MW for ASRE in China, as compared with the previous cumulative sales goal (2015-2019) set at 230 MW.
- These 605 MW are estimated to be fully coupled to the central electric network in the year 2022, generating an annual income amounting to over 1 billion SEK (105 million EUR), as compared to the earlier estimated annual income figure of 400 million SEK (42 million EUR) to be generated in the fiscal year 2020, based on a fully coupled capacity of 230MW.

**Order backlog is defined here as contracted installations that are neither under construction nor set in operation.*

CEO comment

Under 2016, our strategy has been to continue investing in our targeted growth areas and thereby lay the groundwork for future earnings. With aim of building a stronger SolTech Energy for the company's shareholders in 2017, we have chosen to direct significant economic and personnel resources into three main areas, specifically: ASRE in China, our exclusive cooperation agreement with Sapa Building Systems in the Nordic and Baltic regions, as well as the further development of our unique product SolTech ShingEl, which serves as both a roof panel and solar cell that generates electricity.

Our development in China has been very strong during 2016, and thus far this year we have booked orders equivalent to 17.4 MW, which is a good start, especially with thought to the 50 MW duly set for the entire year. As a result of these successes, we have – in consultation with our Chinese partner ASP (Advanced solar Power Hangzhou Inc.) raised our sales goal for ASRE and simultaneously extended our five-year goal, 2015-2019, to include the years 2020 and 2021. Taking into account these added years, our updated sales goal now reflects a total sold, electric producing capacity of 605 MW. Fully set into operation, this volume is estimated to generate a continuous annual income of over 1 billion SEK, starting the year 2022, and with a handsome profit margin as well.

Read the full report here (Swedish): [Year-end 2016 - SolTech Energy Sweden AB \(publ\)](#)

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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 market abuse regulation.596/2014, as well as the law (2007:528) concerning the securities market. Said information is furnished, via the above-cited contact person's authorization, for publication on 24 February 2017, at 07:00 CEST

SolTech Energy Sweden AB (publ) in brief

SolTech Energy is a Swedish solar energy company that specializes in developing and implementing esthetically attractive solutions that enable every building to produce more energy than it consumes. SolTech Energy develops its own products, which are based on research carried out at Kungliga Tekniska Högskolan (KTH- Royal Institute of Technology) and function as part of a building's outer shell that produces electricity and/or hot water. Included in the product assortment are unique, customer-tailored semi-transparent thin-film solar cells that, among other retail venues, are now sold via the Company's exclusive contract with Sapa Building Systems throughout the Nordic and Baltic region. 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

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. Focus is now concentrated on building a backlog of orders for 2017 and beyond, with the goal of obtaining by the close of 2021 an installed capacity of 605 MW (megawatts), which in 2022 will be set into full operation, generating current annual sales amounting to slightly over approximately 1 billion SEK (105 MEUR).