



SolTech Energy

SolTech's Green Bonds receive CICERO's highest rating

SolTech Energy's jointly owned Swedish subsidiary, Advanced SolTech Sweden AB (publ), ASAB, made public, on 10 January 2017, its intent to issue the Green Bonds cited above (more on this is given below). CICERO, which is an internationally recognized, independent analysis and research institute at Oslo University, has given ASAB its highest rating, namely, "Dark green" in the independent "second opinion" it has provided of the company's green bond framework

The 2017 year-end goal for SolTech Energy's jointly owned Chinese company, Advanced SolTech Renewable Energy Hangzhou Co. Ltd. (ASRE), is to finance and install solar energy units on the roofs of customer facilities in China amounting to a sum total capacity of 50 MW (megawatts), which will require an investment of approximately 500 MSEK (50.3 MEUR). ASAB – which is jointly owned by SolTech's Chinese partner, Advanced Solar Power Hangzhou Inc., and explicitly tasked with responsibility for financing, via loans, the SolTech Group's investments in China – signed a contract with Danske Bank in January 2017 for the purpose of investigating the possibility of issuing Green Bonds. The specific framework that has been developed to make this possible has come about in cooperation with Danske Bank. The intent here is to finance 2017's investment in China through the issuance of Green Bonds to Danske Bank's network of institutional investors and wealthy private individuals, amounting to a total worth of 500 MSEK (50.3 MEUR).

CFO Mats Holmfeldt comments:

"Interest in sustainable, environmentally-oriented investments that meet internationally recognized legal and environmental standards continues to increase strongly in today's financial markets, both in Sweden and abroad. Moreover, many of today's large institutional investors have adopted an investment policy that requires an increased percentage of its capital be specifically directed to "Green investments". Interest in "Green Bonds", for example, is rising sharply, and now that we have been awarded CICERO's highest rating; a sound base has been created for a successful forthcoming new bond issue. Cooperation with Danske Bank and CICERO's favorable assessment lend further weight and quality to a bond issue offered to investors with a focus on sustainability."

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SolTech Energy in brief

SolTech Energy develops and sells solar energy systems based on research carried out 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 solar radiation collectors for the production of electricity and hot water. Included in the product assortment are unique thin-film solar cells encased in black and/or semi-transparent glass, or as isolation-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

Green Bonds

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 such new issues. . 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 CO₂ 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. 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 approximately 1,000 MSEK (105 MEUR).