



SolTech Energy

Interim Financial Report: SolTech Energy Sweden AB (publ) January – June 2017

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Strong increase in earnings for ASRE, and reduced losses – but also reduced sales

- Net sales amounted to 22 (25.2) MSEK, a 13% reduction as compared with the same period last year. The reason is a drop in billings at Wasa Rör due to a period of high strain on the company's labor force, where production was concentrated on completing many 2016 projects. This, in turn, affected the sale of new projects going into 2017. The resource situation has now been addressed and demand for Wasa Rör's services is quite good.
- The period's operational result came to -9 (-11.6) MSEK; representing a 22% improvement as compared with the result posted for the same period last year.
- The per share result amounted to -0.36 (-0.34) SEK/share. Cash flow amounted to -28.34 (43.6) MSEK.
- Earnings at ASRE increased to total 6.7 MCNY (approximately: 8.4 MSEK) as compared with 0.7 MCNY (0.9 MSEK) for the same period the previous year.
- The concern's gross profit margin improved as a result of ASRE's increased sales of produced electricity.

After the report period's release

- Continued stable growth in China: Total solar energy installations coupled to the central electric network through August 2017 rose to 18.85 MW, as compared with 2.24 MW for the same period in 2016.
- Back orders in China stood at 24 MW in August, as compared with 11.5 – 15.5 MW for the same period in 2016.
- The total number of coupled installations in China, in the form of orders (not yet started) plus installations under construction, amounts to 34 distinct projects, as compared with 18 projects at the same time point in the previous year.
- ASRE has obtained a loan of 28 MCNY (34 MSEK = 3.58 MEUR) from the Bank of China.
- The decision has been made to annually sell up to 15% of every installed and operational project completed by ASRE, and thereafter reinvest the proceeds in a new capacity the following year. This will contribute to further growth and increase the available financing possibilities for the concern in China.
- An order for a 240 KW solar energy installation has been received from Karlsviken AB. Installation is planned to take place during the fall of 2017.

To read the report in its entirety – [SolTech Energy Sweden AB \(publ\) Delårsrapport januari-juni 2017](#). (Note: report in Swedish).

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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, and law (2007:528) concerning the securities market. Said information is furnished, via the above-cited contact person's authorization, for publication on 25 August 2017, 07:00 CET.

SolTech Energy 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 are a part of a building's outer shell that produce hot water or electricity. 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". Also 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, with respect to its listing on Nasdaq First North, 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 2017 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 (103 MEUR).