

New collaboration agreement gives fully expanded just over SEK 363 million during the contract period for Soltechs ASAB

An exclusive two-year cooperation agreement has been signed by ASAB's wholly-owned subsidiary ASRE in China with Rural Credit Cooperative in Hebi Province, on the construction of 20 megawatts (MW) of solar energy capacity. Rural Credit Cooperative is a state-owned bank with over 5,000 offices in Hebi Province and approximately 500,000 square meters of available roof space. The agreement is expected to fully developed generate just over SEK 363 million during the contract period, corresponding to approximately SEK 18.17 million annually. This gives an annual return on invested capital of approximately 14%.

In connection with the signing of the agreement, three orders of 500 KW each were also signed, ie. a total of 1.5 MW. The total investment cost for these three facilities amounts to approximately SEK 9.7 million and annual revenues to approximately SEK 1.36 million. The plants are estimated to produce about 1.28 kWh per installed watt / year and will, as previously, be fully owned by ASRE. The customers undertake, under a 20-year agreement, to purchase all electricity produced by each plant.

CEO, Stefan Ölander in a comment:

- This is a very interesting cooperation agreement with a large bank in Hebi province. Here there are good opportunities to develop the cooperation over time. The fact that we already signed orders for the first three plants at the conclusion of the agreement further strengthens the cooperation. The agreement also provides the opportunity to finance part of the investment in the facilities on favorable terms through the bank. An alternative financing option that we are now also discussing.

For more information contact:

Stefan Ölander, CEO Soltech Energy Sweden AB (publ) Tel: 070-739 80 00.
Email: stefan.olander@soltechenergy.com

The information in this press release is such that Soltech Energy Sweden AB (publ) is to publish according to EU Regulation No 596/2014 on market abuse. The information was provided through the above contact person's publication for publication on January 10, 2020 at 07:30 CET.

About Soltech Energy Sweden AB (publ)

Soltech Energy is a comprehensive supplier that develops, sells, installs and optimizes solar energy solutions for our customers' needs. The group includes the subsidiaries Advanced Soltech Sweden AB (publ) where the Chinese investment is conducted, Soltech Sales & Support, NP-Gruppen, Swede Energy Power Solutions, Merasol and Soldags. Soltech Energy Sweden AB (publ), is traded on Nasdaq First North Growth Market under the short name SOLT and has approximately 31,000 shareholders. The company's Certified Adviser is Erik Penser Bank. Phone: 08-463 83 00. Email: certifiedadviser@penser.se. For more information see: www.soltechenergy.com

About the China venture

Soltech Energy's investment in China is conducted in Advanced SolTech Renewable Energy (Hangzhou) Co. Ltd., ASRE, its wholly owned local subsidiaries and Longrui Solar Energy (Suqian) Co. Ltd. The business model consists of financing, installing, owning and managing solar energy installations on customers' roofs in China. The customer does not pay for the plant, but instead undertakes to purchase the electricity that the plant produces during a 20-year agreement. Ongoing revenue comes from the sale of electricity to customers and from various forms of grants per produced kilowatt hour (kWh) of solar electricity. The goal is to have an installed capacity of 1000 megawatts (MW) fully connected to the electricity grid in 2024 by 2023. ASRE and Longrui Solar Energy (Suqian) Co. Ltd. are wholly owned subsidiaries of Advanced Soltech Sweden AB (publ). ASAB is 51% owned by Soltech Energy Sweden AB (publ) and 49% by Soltech's Chinese partner, Advanced Solar Power Hangzhou Inc.