

Advanced SolTech Sweden AB (publ) is considering issuing new green secured corporate bonds and publishing new financial information

Advanced Soltech Sweden AB (publ) "ASAB", a subsidiary of Soltech Energy Sweden AB (publ) "Soltech Energy" is considering issuing new green covered corporate bonds under ASAB's green bond framework.

In connection with this, ASAB has mandated DNB Markets and Nordea to investigate the conditions for ASAB to issue a new bond loan and to arrange meetings with selected bond investors starting on January 15, 2020. Subject to prevailing market conditions, a bond issue, Swedish benchmark size (or equivalent value in EUR), under a bond framework agreement of SEK 2,000 million with floating interest rates will be emitted. The Board of Directors of ASAB reserves the right to decide whether to cancel, suspend or postpone the bond issue in whole or in part. The funds from an issue is intended to be used to repurchase outstanding bonds and to finance ASAB's future growth.

ASAB's new collaboration with DNB Markets and Nordea, together with the previously announced intention to list ASAB's shares on Nasdaq First North Growth Market, is part of the new financing plan for the continued expansion in China where ASAB intends to target a wider circle of institutional investors.

Frederic Telander, CEO ASAB and Stefan Ölander, CEO SolTech Energy comment:

- We have previously communicated a goal to achieve an installed solar capacity equivalent to 1 GW (1000 MW) in 2023, which is fully connected to the electricity grid in 2024. The demand for our offer in China remains very good and we have a strong pipeline of high-quality projects waiting for funding. The investments are made where they have the greatest positive climate impact and with this transaction, we lay the foundation we need for our journey towards the creation of a green energy company in the frontline.

New financial information

In connection with ASAB evaluating the possibility of issuing bonds, new financial information that has not been public previously, is published.

ASAB is in a strong expansion phase and had, as of December 31, 2019, an installed capacity of 139.2 MW in its portfolio of solar power plants with an annual revenue capacity of approximately SEK 161 million and EBITDA of approximately SEK 141 million, given certain assumptions. The company has furthermore prepared combined financial statements for the Group in which ASAB is the parent company for the full year 2017 and 2018 and for the period 1 January 2019 - 30 September 2019

Income statement

| SEK '000s | 2017 | 2018 | LTM Q3 2019 | Q1-Q3 2019 |
|----------------------------|----------------|----------------|----------------|---------------|
| Revenue | 10,751 | 26,511 | 69,275 | 61,121 |
| Other operating income | 10,266 | 23,198 | 33,256 | 27,758 |
| Total revenue | 21,017 | 49,709 | 102,801 | 88,879 |
| Personnel | (1,853) | (4,040) | (4,046) | (3,141) |
| Other operating expenses | (154) | (416) | (5,750) | (4,318) |
| Other external costs | (10,958) | (7,800) | (8,037) | (6,028) |
| EBITDA | 8,052 | 37,453 | 84,968 | 75,392 |
| Depreciation | (5,914) | (13,627) | (27,085) | (22,255) |
| Operating profit | 2,138 | 23,826 | 57,883 | 53,137 |
| Financial income | 65 | 425 | 207 | 107 |
| Financial costs | (9,484) | (27,375) | (61,453) | (44,783) |
| Earnings before tax | (7,281) | (3,123) | (3,363) | 8,461 |
| Tax | 1,435 | (12) | (2,950) | (4,484) |
| Net income | (5,846) | (3,135) | (6,313) | 3,977 |

Balance sheet

| SEK '000s | 2017 | 2018 | Q3 2019 |
|--|----------------|----------------|------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Property, plant and equipment | | | |
| Solar power plants | 238,141 | 512,360 | 826,655 |
| Solar power plants under construction | 56,476 | 36,865 | - |
| Total property, plant and equipment | 294,617 | 549,225 | 826,665 |
| Financial assets | | | |
| Other long-term receivables | 44,826 | 63,515 | 70,318 |
| Deferred tax assets | 1,841 | 4,585 | 4,844 |
| Total financial assets | 46,667 | 68,099 | 75,162 |
| Total fixed assets | 341,284 | 617,325 | 901,817 |
| Current assets | | | |
| Inventories | | | |
| Prepaid expenses to suppliers | 11 | 274 | 8,083 |
| Total inventories | 11 | 274 | 8,083 |
| Current receivables | | | |
| Receivables | 2,242 | 7,818 | 27,277 |
| Receivables from group companies | 1,530 | 0 | 4,256 |
| Tax receivables | 0 | 36 | - |
| Other receivables | 7,663 | 23,943 | 150,809 |
| Prepaid expenses and accrued income | 88 | 614 | 1,855 |
| Total current receivables | 11,523 | 32,410 | 184,197 |
| Cash and cash equivalents | 5,593 | 29,942 | 40,457 |
| Total current assets | 17,127 | 62,626 | 232,737 |
| TOTAL ASSETS | 358,411 | 679,951 | 1,134,554 |

| SEK '000s | 2017 | 2018 | Q3 2019 |
|---|----------------|----------------|------------------|
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Liabilities | | | |
| Long-term liabilities | | | |
| Borrowings | 63,583 | 329,785 | 713,522 |
| Total long-term liabilities | 63,583 | 329,785 | 713,522 |
| Current liabilities | | | |
| Liabilities to credit institutions | 35,398 | - | 38,483 |
| Borrowings | - | 65,540 | - |
| Prepaid income from customers | - | 247 | - |
| Payables to suppliers | 125,370 | 60,443 | 68,635 |
| Liabilities to group companies | 2,976 | 2,744 | 27,276 |
| Tax liabilities | 579 | 1,029 | 3,120 |
| Other liabilities | 2,977 | 15,102 | 60,106 |
| Prepaid income and accrued expenses | 7,577 | 14,134 | 15,066 |
| Total current liabilities | 174,877 | 159,239 | 212,686 |
| Deferred tax liabilities | - | 220 | - |
| Total liabilities | 238,460 | 489,244 | 926,208 |
| Shareholders' equity | | | |
| Share capital | 500 | 500 | 500 |
| Other contributed capital | 125,912 | 199,791 | 213,454 |
| Other equity including retained earnings | (6,461) | (9,584) | (5,608) |
| Total shareholders' equity | 119,951 | 190,707 | 208,346 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 358,411 | 679,951 | 1,134,554 |

Cash flow statement

| SEK '000s | 2017 | 2018 | Q1-Q3 2019 |
|--|------------------|------------------|------------------|
| Cash flows from operating activities | | | |
| Operating profit | 2,139 | 23,826 | 53,137 |
| Depreciation | 5,914 | 13,627 | 22,255 |
| Other non-cash items | 185 | 1,381 | - |
| Interest received | 65 | 425 | 107 |
| Interest paid | (5,121) | (13,311) | (66,995) |
| Income tax paid | (104) | 402 | (2,358) |
| Changes in net working capital | | | |
| Change in receivables | (1,085) | (5,576) | (27,268) |
| Change in other receivables | 11,241 | (15,536) | (132,842) |
| Change in payables | 100,756 | (64,929) | 7,945 |
| Change in other current liabilities | 5,102 | 4,079 | 69,536 |
| Total changes in net working capital | 116,014 | (81,962) | (82,629) |
| Net cash provided by operating activities | 119,092 | (55,612) | (76,483) |
| Cash flows from investing activities | | | |
| Capital expenditures | (145,875) | (258,433) | (289,109) |
| Investments in other financial assets | (38,429) | (18,690) | (6,803) |
| Net cash used in investing activities | (184,304) | (277,123) | (295,912) |
| Cash flows from financing activities | | | |
| Shareholders' contributions | 3,000 | 61,094 | - |
| Borrowings | 35,398 | 328,875 | 408,709 |
| Change in current financial liabilities | - | (32,885) | (25,799) |
| Net cash provided by financing activities | 38,398 | 357,084 | 382,910 |
| Net cash flows | (26,814) | 24,349 | 10,515 |
| Cash and cash equivalents, beginning of period | 32,407 | 5,593 | 29,942 |
| Cash and cash equivalents, end of period | 5,593 | 29,942 | 40,457 |

The new financial information is described in more detail in a presentation on the company's website: [LINK].

For more information contact:

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Advanced SolTech Sweden AB (publ) – ASAB

In order to continuously finance investments in China, the SolTech Group's parent company and its partner in China, Advanced Solar Power Hangzhou Inc., have formed ASAB. ASAB's business consists of lending to Group companies to finance solar power plants in China that are owned and managed by ASRE, LSE or its wholly owned local subsidiaries.

The company's Certified Adviser is FNCA, telephone 08-528 00 399 E-mail: info@fnca.se More info at www.advancedsoltech.com

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 and Longrui Suqian (LSE). The business model consists of ASRE and LSE financing, installing, owning and managing solar energy installations on customers' roofs in China. The customer does not pay for the solar facility, but instead commits to purchase the electricity that the plant produces during a 20-year agreement. ASRE's current revenue comes from the sale of electricity to customers and from various forms of subsidies 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