

# Year-end report Soltech Energy Sweden AB (publ) january – december 2019

## Very strong growth for Soltech in 2019

### January – december 2019

- Consolidated revenues amounted to MSEK 324 (53.7), an increase of 503%.
- The Swedish part of the business increased to SEK 201.4 (11.3) million, an increase of 1,682%.
- Chinese part1 increased sales to SEK 122.6 (48.8) million, an increase of 151%.
- Consolidated operating profit (EBIT) amounted to SEK 49.1 (5.2) million.
- Consolidated earnings before depreciation (EBITDA) amounted to SEK 88.25 (17.6) million.
- Consolidated profit after tax amounted to SEK -33.2 (-15.4) million. Adjusted for one-off and restructuring costs, the result was SEK -25.8 million.
- The Parent Company's net sales amounted to SEK 9.65 M (11.3). Including sales within the Group and other revenues, revenue amounted to SEK 17.2 M (14.3).
- Earnings per share amounted to SEK -0.61 (-0.4).
- Cash flow amounted to SEK 55.3 (1.6) million.

### Fourth quarter 2019

- Net sales amounted to SEK 90.7 (18.2) million.
- Operating profit (EBIT) for the period amounted to SEK 10.9 (5.6) million.
- Cash flow for the period amounted to SEK 8.8 million.

### After the end of the reporting period

- Acquisition of majority stake in Merasol AB. A B2B solar energy company based in Gothenburg.
- Acquisition of Soldags i Sverige AB. A sales company aimed at the private market.
- Acquisition of majority stake in Takorama AB. A roofing company with solar ambitions and based in Ljungskile.
- Castellum and HSB place orders worth a total of SEK 23.5 million to the subsidiaries Swede Energy and Merasol.
- Niclas Lundin is appointed new CFO and will take office on 25 March 2020.

- ASRE signs cooperation agreement with Rural Credit Cooperation in Hebi Province, which fully expanded during the contract period is expected to yield just over SEK 366 million during the contract period.
- ASRE signs agreements on two major transactions that are expected to yield SEK 77.4 million during the contract period.
- ASAB postpones planned bond issue with Nordea and DNB due to Covid19.

Read the full year-end report as an appendix or via link:

<https://soltechenergy.com/investerare/finansiella-rapporter-kalender/>

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## Words from the CEO

**Dear shareholders and investors!**

**We are a growing company with big goals**

We are a pronounced growth company and compared to 2018 we deliver 503 percent growth at group level and 1 682 percent growth if we only look at the Swedish operations. But we still do not show profit on the last line. A big reason for this is that we have large one-off costs to build the right platform for our expansion. We must invest to build a base that will meet our lofty goals. Another strong contributing reason is that we have too high costs to raise capital for our operations in China and then high current interest costs. When we have clearly built our platform for the future and when we have succeeded in reducing funding costs, the result will be better. When we then add an increased business volume as well as increased synergy effects within the Group, we believe in a good result going forward.

**Double share price and number of shareholders.**

When we summarize 2019, it is without a doubt our most exciting year ever. It is gratifying to all shareholders that our share price more than doubled during the year. We are also really proud of the confidence all our new shareholders have given us. In 2019, the number of shareholders has increased from around 15,000 to about 32,000. For our owners, we have shown strong growth in our business in China during the year and not least a good result of our acquisition strategy in Sweden.

### **The solar energy market is unique**

Few people are able to work in an industry that in Sweden is expected to double every year. Even in the global perspective, annual growth is good and amounts to about 20 percent. That we also work in the solar energy industry that does good for the world's climate is really what makes us fight further to achieve our goals. We at Soltech, just like our shareholders, want to get a good return on our investment and at the same time do good for the climate.

The solar energy market is in a build-up phase and with many companies selling standard panels, prices are being squeezed which reduces margins. In the standard panel segment, we are investing in volume to continue to be one of the largest on the market. As the crown of the work, we have our building-integrated ceilings and wall panels where we have a better margin. Here we work, among other things, with Vattenfall as a partner.

A combination of standards and our integrated panels will pave the way for good future profitability. In the fall of 2019, we announced our goal of reaching SEK 4.7 billion in sales within five years (2024). It is an aggressive target but fully achievable with our stated acquisition strategy, strong organic growth, our own building-integrated products and a rapidly growing market in Sweden and internationally.

Soltech has always been a company with many small shareholders and it is something we are proud of and cherish. At the same time, it would be a strength message to have a number of institutional investors in the ownership circle. Since the fall of 2019, we have noticed an increased interest from this group both at home, but also from international investors. In line with this, we will examine different sources of funding during the year to create the conditions to achieve our expansion goals.

### **The acquisition strategy resulted in five new subsidiaries**

In late autumn 2018, we launched our acquisition strategy to create a stronger platform of business in Sweden. Both for our own aesthetic and building-integrated products, but also for taking part of the large market for standard surface-mounted solar cells. During quarter one, we acquired the majority of Nyedal Solar Energy, NP Group and Swede Energy. With the help of our successful rights issue in May / June 2019, we continued our work and in September we acquired the remaining 49 percent of Nyedal Solar Energy. Just before Christmas we acquired Soldags and Merasol, where we will take over as owner on January 2, 2020. We begin the 2020 acquisition by presenting on February 25, the acquisition of 70 percent of Takorama AB.

### **The transformation of traditional industries is changing society**

We are driven by doing good business that contributes to a good environment. Being part of and transforming traditional industries is a new dimension that we started with during the year. It is a great satisfaction for us and for the employees of traditional roofing companies, facade companies, electricians and others. to develop their companies in a more environmentally oriented way. With Soltech's financial and knowledge-based support, these companies become sustainable future companies by adding solar energy solutions to their offering. With this strategy, we really change society. Takorama is the first example of this year.

### **Our business in China**

Advanced Soltech, which issues green bonds in Sweden to finance the expansion of solar power plants in China, has grown from 91 megawatts (MW) to 139 MW per year-end 2019. Our new growth plan for a gigawatt (GW) fully connected to the grid in 2024 is firm.

This corresponds roughly to the effect of a nuclear reactor in Forsmark. Regarding the outbreak of the Coronavirus, it is our assessment at present that it will affect Advanced to a limited extent.

**Listing of Advanced Soltech (ASAB)**

To assist with the planned listing of ASAB on the Nasdaq First North Growth Market during the first half of 2020, ASAB has mandated Carnegie Investment Bank and DNB Markets as advisors. The listing process is ongoing and follows the plan. All shareholders in Soltech will be informed in good time of the listing by letter.

**New graphic profile and website**

In December, the parent company changed its graphic profile at the same time as a new modern website was launched. Our strategy is for this new profile to be used by all subsidiaries in the Group, but these will retain their existing names. With a common graphic profile we create a stronger brand awareness which benefits us in both sales and recruitment work.

**We are facing the big breakthrough**

We have come a bit into this exciting year and the plan is to expand greatly in a market that is really facing its breakthrough. We have the drive, resources, products and timing on our side. Welcome to follow along on the journey.

*Sincerely,*

*Stefan Ölander, CEO*

**About Soltech Energy Sweden AB (publ)**

Soltech 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 venture is conducted, Soltech Sales & Support, NP Group, Swede Energy Power Solutions, Merasol, Soldags and Takorama. Soltech Energy Sweden AB (publ), is traded on Nasdaq First North Growth Market under the short name SOLT and has approximately 32,000 shareholders. The company's Certified Adviser is Erik Penser Bank. Phone: 08-463 83 00. Email: [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se). For more information see: [www.soltechenergy.com](http://www.soltechenergy.com)