



Soltech

Soltech Energy acquires 70% of the shares in Fasadsystem i Stenkullen AB

Soltech Energy Sweden AB (publ) has signed an agreement on April 23, 2020 to acquire 70% of the shares in the facade company, Facade system, in Stenkullen AB (Facade system) with access on May 4, 2020. Facade system has its headquarter northeast of Gothenburg and was founded in 1980. The company has 32 employees and sales of SEK 81.7 million during their broken fiscal year 2018/2019 (2018-09-01 - 2019-08-31) with a positive operating profit (EBIT) of SEK 8.2 million. The acquisition of Facade systems is an investment in taking part of the growing market for solar energy in facades by phasing in Soltech's own solar energy system "Soltech Facade".

Facade systems is one of Western Sweden's leading companies in the facade industry with over 40 years of experience in various solutions and cutting-edge expertise for the development of modern, functional and stylish aluminum facades. The market is developing rapidly and Facade systems are now ready to take the next step and offer sustainable and smart solar energy solutions.

Facade systems will be Soltech's third subsidiary on the west coast following the acquisition of Merasol and Takorama earlier this year. This is Soltech's second acquisition in 2020 that is not within the solar energy industry. The strategy is to acquire unlisted traditional companies in, for example, the roofing, facade and electricity industries and convert these into sustainable companies that, in addition to their traditional business, add solar energy in their product range. This strategy builds value for Soltech's shareholders while building a platform aimed at making solar energy a natural part of our every day energy mix.

The acquisition of facade systems in economic terms:

All shares in Facade Systems are valued at SEK 40 million and the total acquisition proceeds for 70% of the shares thus amount to SEK 28 million.

The acquisition is paid with an initial cash portion of SEK 13.7 million (of which SEK 3.7 million is compensation for non-distributable funds left in the company). After 12, 24 and 36 months, a further total of SEK 3.66 / year can be paid out in variable supplementary purchase price if set sales and profitability targets are achieved.

The acquisition is also paid for with newly issued Soltech Energy shares worth SEK 7 M (25% of the purchase price) upon entry.

In the spring of 2024, through an option agreement, Soltech Energy has the opportunity to acquire the remaining 30% of the shares in Facade systems, or a desired part thereof. The price for the shares under this option is calculated as the average of EBIT in Facade systems during the 2020-2023 fiscal years, multiplied by six (6), multiplied by the percentage acquired.

The acquisition of the façade system is financed entirely from its own cash and with newly issued Soltech Energy shares.

Soltech Energy and Fasadsystem's assessment is that the acquisition will contribute approximately SEK 53 million in sales during the 2020 financial year (eight months) and with a positive operating profit of approximately 8-10% of sales.

From the 2021 fiscal year onwards, Soltech Energy expects a sales increase with a good operating margin due to the fact that the facade system will add solar energy to its product range. In addition, synergies within the Group in terms of joint purchasing, marketing, HR, finance and administration will have a positive impact on sales and earnings.

CEO Stefan Ölander in a comment:

- It feels fantastic to be able to show strength through this acquisition in the middle of the Covid19 crisis. We are pleased to have agreed with Fasadsystems which is a very solid family company with the third generation on the CEO chair. The company is characterized by great drive and deep knowledge. We see great business opportunities as they now add solar energy to their range. Transforming traditional companies into solar companies is socially beneficial and a good deal for our shareholders.

Tommy Standerth, CEO of Facade System in a comment:

- Fasadsystem's employees have high technical expertise and many years of experience in the industry. The market is changing and products and technology are developing at a rapid pace, so it is of the utmost importance that we keep up with that development and are responsive to customer requests and industry requirements. One of these is that solar energy solutions are something we should be able to offer our customers. We have great confidence in Soltech and are certain that the Soltech Group is right for us when we, as the first facade company, take the step of offering solar energy solutions. Through this sale, we ensure that Facade Systems takes a step into the future and that both the company and our highly valued employees receive a strong and future-oriented parent company. I also want to thank Andreas Arnewid business broker at Företagarförmedlingen for a good collaboration.

For more information contact:

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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, Takorama and Facade systems. Soltech Energy Sweden AB (publ), is traded on the 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. For more information see: www.soltechenergy.com