

Notice of written procedure for bonds issued by Advanced SolTech Sweden AB (publ)

To holders of the senior secured floating rate bonds issued by Advanced SolTech Sweden AB (publ) (the "Issuer"), with ISIN: SE0012012680 (SEK) and SE0012012698 (EUR), originally dated 23 January 2019 (the "Bonds").

Capitalized terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions relating to the Bonds (the "Terms and Conditions").

This notice for a voting procedure in writing will, with respect to SEK Bonds and EUR Bonds be sent by regular mail on 16 December 2022 to Bondholders directly registered in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB (the "CSD"). This notice has also been published on the websites of the Issuer and the Trustee (as defined below), in accordance with the Terms and Conditions. If you are an authorised nominee under the Swedish Financial Instruments Accounts Act or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible.

On behalf of and as requested by the Issuer, the Trustee, acting in its capacity as Trustee for the Bondholders under the Terms and Conditions, hereby initiates a written procedure (the "**Written Procedure**"), whereby the Bondholders can approve or reject a proposal from the Issuer regarding an extension of the Final Redemption Date against an increased Applicable Margin. The proposal by the Issuer (the "**Proposal**") and the background thereto is described in Section A (*Background and Proposal*).

NO DUE DILIGENCE CARRIED OUT IN CONNECTION WITH THIS WRITTEN PROCEDURE

Please note that no due diligence whatsoever (legal, financial, tax, environment or otherwise) has been carried out by the Trustee, the arranger of the Bonds, the corporate finance advisor of the Issuer, any of their advisors or any other person for the purposes of the Written Procedure or with respect to the Issuer or its assets. Therefore, no new or updated risk factors relevant for the Proposal (if any) have been prepared in connection with this Written Procedure and there may therefore be unidentified risks related to the Issuer and the Proposal not disclosed in the investor presentation (the "**Investor Presentation**"), including the original risk factors prepared in connection with the Bond Issue, which has been circulated to the Bondholders together with this notice of Written Procedure.

All Bondholders should regard the approval of the Proposal as a new credit decision and are therefore encouraged to review the Investor Presentation (including the original risk factors therein) thoroughly before deciding to vote with respect to the Proposal in this Written Procedure.

LIMITATION OF LIABILITY OF THE TRUSTEE

The Proposal and the Investor Presentation are presented to the Bondholders by the Trustee on behalf of the Issuer, without any evaluation, advice or recommendations from the Trustee to the Bondholders whatsoever. The Trustee has not assessed the Proposal (and its effects, should it be adopted) from a legal, commercial, financial or other perspective and the Trustee expressly disclaims any liability whatsoever related to the content of this notice and the Proposal (and its effects, should it be adopted). The Trustee has assumed that the Investor Presentation, the documentation and other evidence (if any) delivered to it pursuant the Proposal is accurate, correct and complete and the Trustee has not verified the contents of any such documentation. The Bondholders are recommended to seek their own professional advice in order to independently evaluate whether the Proposal (and its effects) is acceptable or not. Other than as mentioned above, neither the Trustee, nor any of its advisors has carried out any due diligence in

connection with the Proposal and no party can guarantee any satisfactory outcome of the Proposal set out herein.

ALL BONDHOLDERS ARE STRONGLY ENCOURAGED TO REVIEW AND CONSIDER THE INVESTOR PRESENTATION AND THE PROPOSAL

Before deciding whether to accept the Proposal, each Bondholder is advised to carefully review the content of the Investor Presentation, this document and the proposed resolutions set out below and the limitation of liability provision set out above. If a Bondholder is uncertain as to the content and significance of this document and the measures the Bondholder should take, the Bondholder is advised to consult its own legal, tax or financial adviser for this purpose. The Trustee will not, and is under no obligation to, update this document.

PARTICIPATION IN THE WRITTEN PROCEDURE

Bondholders may participate in the Written Procedure by completing and sending the voting form attached below to the Trustee. The Trustee must **receive the voting form no later than by 12.00 (CET) on 4 January 2023** by mail, via courier or e-mail to the addresses indicated below. Votes received thereafter will be disregarded. Please note that the Written Procedure may expire early if the requisite majority consents of the total Adjusted Nominal Amount have been received before **4 January 2023**.

To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 15 December 2022 (the "Record Date"). This means that the person must be registered on a Securities Account with Euroclear Sweden as a direct registered owner (*direktregistrerad ägare*) or authorised nominee (*förvaltare*) with respect to one or several Bonds.

If you have an interest in a Bond but are not registered as a direct registered owner or authorised nominee on a Securities Account, you need to obtain a power of attorney or other proof of authorisation from the person who fulfils the formal criteria for being a Bondholder on the Record Date, to be able to participate. An alternative may be to ask the person that is registered as a Bondholder and holds the Bonds on your behalf to vote in its own name as instructed by you. For further information on voting, please see under *Voting rights* in Section B (*Decision procedure*).

Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

Important Dates

Record Date (for voting): **15 December 2022**

Last time and day to vote: **12.00 CET on 4 January 2023**

A. Background and Proposal

1. Background and current situation

Background

The Issuer was established as a joint venture between SolTech Energy Sweden AB (publ) and Advanced Solar Power (Hangzhou) Inc. in 2016 with the purpose of financing roof-top-based solar power installations in China. The business model is to combine the financing needs of the growing rooftop solar-based market in China with European capital markets. Since its initiation, the business model has proven successful, and the Issuer, through its Chinese subsidiaries (jointly, the "**Group**"), has developed into an awarded and successful independent power producer with a large demand for its services. In 2021, the Issuer completed an IPO of its shares and has, since 29 October 2021, its shares listed on the Nasdaq First North Growth Market.

Over the past years, the Group has funded its' business in China through share and bond issuances in the Issuer and a bank loan of CNY 37 million in one of its Chinese subsidiaries. The Issuer has issued unsecured bonds during 2018 with a current outstanding amount of SEK 127,685,00 with a final redemption date on 28 February 2023 (the "**SOLT2 Bonds**") and the Bonds (under a green framework) in January 2019. Subsequently, the Issuer has carried out four subsequent bond issues within the framework of the Bonds. The total nominal outstanding amount on the Bonds is currently SEK 320,800,000 (ISIN: SE0012012680) and EUR 27,340,000 (ISIN: SE0012012698), and it is the only secured debt in the Group. The Group intends to refinance the issued bonds during 2023 while setting up a new platform for financing further growth.

The Issuer has during 2022 worked on two parallel refinancing tracks with local Chinese banks and financial companies. Firstly, the Bank of Communications ("**BOCOM**") gave the Issuer a positive credit decision in August 2022 regarding a facility that was intended to be used to refinance the Bonds in full. However, as the closing of the transaction approached, there was a discrepancy that occurred relating to the timing of the release of securities where BOCOM requested that the Trustee should release the security provided for the Bonds before the Bonds were redeemed in full, and settlement of the loan facility by BOCOM, therefore, proved to be a technical issue that has not been resolved". The Issuer has also worked together with a large Asian financial company with several local branches in China for a similar facility. The Issuer is still in dialogue with this potential financier and due diligence actions are ongoing. However, with European and Chinese holidays coming up, the management of the Issuer does not foresee that the refinancing will be possible to take place before the maturity date of Bonds.

Considering the above, the Issuer kindly requests that the Bondholders approve an extension of the Final Redemption Date (originally 25 January 2023), until 8 July 2023. During the extended maturity, Interest payments will continue but the Bondholders are offered an increased Applicable Margin with two percentage units from 9.00% to 11.00% as from the Interest Period beginning on 26 January 2022 if the Proposal has been approved at that time.

Current market conditions

The market for commercial and industrial solar power is strong and growing, as reducing local emissions and reaching China climate goals of a carbon neutral economy in 2060, is a priority to the Chinese leadership. The business model offering electricity from roof top solar installations to property owners, with a discount to the grid price has proven very attractive. Customers, save on their electricity costs and can at the same time show their commitment to the green transition. The size of the of the market will not be a limiting factor for the company for the foreseeable future and the contracts provide good profitability. The recent years very strict covid restrictions has been hard on the Chinese economic growth,

but the company has still been able to grow with the projected margins. The order book is very healthy and can be expanded when the financial situation allows it. Recently the Group has entered a very good strategic partnership which also provides ample business opportunities.

The Group is very well positioned to take advantage of several global and Chinese mega trends, as electrification, transition to a sustainable energy system and energy security through a more diversified energy system.

The current security package

The Bonds are secured by share pledges in the project companies Advanced Solar Power (Hangzhou) Inc ("ASRE") and Longrui Solar Energy (Suqian) Co., Ltd. ("Suqian") as well as with pledges over downstream loans to ASRE and Suqian amounting to a total amount of EUR 68,563,957. Furthermore, the downstream loans have attached security in rooftop agreements corresponding to 230.2 megawatt and solar power installations of 230.2 MW. It should further be mentioned that the other assets owned by the Group are unencumbered. In total, the Group's total assets amounted to SEK 1,972,654,000, and the net interest-bearing debt amounted to SEK 1,017,629,000. The Group has not defaulted on any of its owed liabilities.

The security package provided for the Bonds mentioned above will continue to secure the Bonds during the extended maturity of the Bonds and no further registration actions need to be taken to ensure the continuing validity of the security package.

2. Proposal to the Bondholders

In order to achieve the above-mentioned objectives, the Issuer is proposing the following to the Bondholders (the "Proposal"):

- (a) The Final Redemption Date (originally 25 January 2023) shall be extended until 8 July 2023, provided that (i) should the final redemption date under the SOLT2 not be extended to a date that occurs after 8 July 2023 before 26 February 2023, the Final Redemption Date shall be deemed to occur on 27 February 2023 instead of 8 July 2023 and (ii) the Issuer may during the extension period exercise its right to voluntarily redeem the Bonds in full in accordance with Clause 11.3 of the Terms and Conditions.
- (b) In order to facilitate a swift refinancing of the Bonds, it is further proposed that the current notification time of 15 Business Days for a full redemption of the Bonds pursuant to Clause 11.3 of the Terms and Conditions is shortened to 5 Business Days.
- (c) Subject to the approval of the Proposal, the Applicable Margin shall be increased with two percentage units from 9.00% to 11.00% as from the Interest Period beginning on 26 January 2022.

3. Request for approval and consents

The Issuer hereby kindly asks the Bondholders to:

1. approve and consent to the Proposal set out above;
2. authorize the Trustee to (on behalf of the Bondholders) take all such steps as may be deemed necessary or desirable to implement the Proposal and/or to achieve its purpose, to execute and enter into any documents that may be necessary in connection with the Proposal including any consequential amendments to the Terms and Conditions or registration measures; and

3. to acknowledge the limitation of liability set out in above under the heading "LIMITATION OF LIABILITY OF THE TRUSTEE".

B. Decision procedure

The Trustee will determine whether replies received are eligible to participate in the Written Procedure, continuously calculate the replies provided in respect of the Proposal and determine the result of the Written Procedure as soon as possible based thereon.

Once a requisite majority of consents of the Adjusted Nominal Amount for which Bondholders reply in the Written Procedure have been received by the Trustee, the relevant decision shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken in the Written Procedure will be sent by notice to the Bondholders, published on the websites of the Issuer and the Trustee and published by way of press release by the Trustee.

Minutes from the Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Trustee, as applicable.

IF THE PROPOSAL IS APPROVED BY THE WRITTEN PROCEDURE IT WILL BE BINDING ON ALL BONDHOLDERS WHETHER THEY PARTICIPATED IN THE WRITTEN PROCEDURE OR VOTED AGAINST THE PROPOSAL OR NOT, IN ACCORDANCE WITH THE TERMS AND CONDITIONS.

CONSEQUENTLY, SHOULD A REQUISITE MAJORITY OF THE BONDHOLDERS VOTE POSITIVELY FOR THE PROPOSAL, THE FINAL REDEMPTION DATE WILL BE EXTENDED TO 8 JULY 2023.

Voting rights

Anyone who wishes to participate in the Written Procedure must on 15 December 2022 (the "**Record Date**"):

- (i) be registered on the Securities Account as a direct registered owner (*direktregistrerad ägare*); or
- (ii) be registered on the Securities Account as authorised nominee (*förvaltare*),

with respect to one or several Bonds.

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee (*förvaltare*) or another intermediary, you may have two different options to influence the voting for the Bonds.

1. You can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you.

2. You can obtain a power of attorney or other authorisation from the authorised nominee or other intermediary and send in your own voting form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Trustee recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate.

Bonds owned by the Issuer, any other Group Company or an Affiliate do not entitle the holders to any voting rights and are not included in the Adjusted Nominal Amount.

Quorum

Pursuant to Clause 16(i) of the Terms and Conditions, a quorum in respect of the Written Procedure will only exist if a Bondholder (or Bondholders) representing **at least fifty (50) per cent** of the Adjusted Nominal Amount reply to the Proposal.

If a quorum does not exist, the Trustee shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. At the option of each Bondholder, a voting form provided at or before 12.00 (CEST) on 4 January 2023 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

Majority

Pursuant to Clause 16(g)(vii) of the Terms and Conditions, **at least sixty-six and two thirds (66 2/3) per cent** of the Adjusted Nominal Amount for which Bondholders reply in the Written Procedure must consent to the Proposal in order for it to be approved.

Final date to vote in the Written Procedure

The Trustee must have received the votes by mail, courier or e-mail to the address indicated below no later than by **12.00 (CEST) on 4 January 2023**. Votes received thereafter will be disregarded.

Address for sending replies

By regular mail:

Intertrust (Sweden) AB
Attn: Linus Löfgren, P.O. Box 16285, 103 25 Stockholm

By courier:

Intertrust (Sweden) AB
Attn: Linus Löfgren, Sveavägen 9, 10th floor, 111 57 Stockholm

By e-mail:

trustee@intertrustgroup.com

VOTING FORM

For the Written Procedure initiated on 16 December 2022 with respect the senior secured floating rate bonds issued by Advanced SolTech Sweden AB (publ) (the "Issuer"), with ISIN: SE0012012680 (SEK) and SE0012012698 (EUR), originally dated 23 January 2019 (the "Bonds").

The Issuer requests the Bondholders to approve the Proposal set out in the notice for the Written Procedure. The Trustee is hereby empowered to enter into all necessary documentation required to implement the Proposal, in the event the Proposal is approved.

Reply

Name of person/entity voting: _____

Nominal Amount voted for: _____

The undersigned hereby (put a cross in the appropriate box) votes for alternative:

A) Approve

B) Reject

C) Refrain from voting

with respect to the Proposal.

The undersigned hereby confirms (put a cross in the appropriate box) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to clause 16(j) of the Terms and Conditions with respect to the Proposal:

Confirmed

Not confirmed

Signature

Name in print:

Contact information

Email:

Tel:

NOTE: Please attach a power of attorney/authorization if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorized nominee. The voting form shall be signed by an authorized signatory. A certified copy of a registration certificate or a corresponding authorization document for the legal entity shall be appended to the voting form for any legal entity voting. The registration certificate, where applicable, may not be older than one year.

POWER OF ATTORNEY/AUTHORISATION¹

For the Written Procedure initiated on 16 December 2022 with respect to the senior secured floating rate bonds issued by Advanced SolTech Sweden AB (publ) (the "Issuer"), with ISIN: SE0012012680 (SEK) and SE0012012698 (EUR), originally dated 23 January 2019 (the "Bonds").

Authorized Person²: _____

Nominal Amount³: _____

Grantor of authority⁴: _____

We hereby confirm that the Authorized Person specified above has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of⁵: _____

We are (put a cross in the appropriate box):

- Registered as authorized nominee on a Securities Account
- Registered as direct registered owner on a Securities Account
- Other intermediary and hold the Bonds through⁶ _____

Date:

Signature

¹ Use this form to confirm a person's/entity's authority to vote if the person/entity is not registered as a direct registered owner or authorized nominee.

² Insert the name of the person/entity that should be authorized to vote.

³ Insert the aggregate nominal amount the Authorized Person should be able to vote for.

⁴ Insert the name of entity/person confirming the authority.

⁵ The total Nominal Amount the undersigned represents

⁶ Mark this option if the undersigned is not registered as authorized nominee or direct registered owner in the Securities Account kept by Euroclear Sweden. Please insert the name of the firm the undersigned holds the Notes through.

For further questions please see below.

To the Issuer:

Max Metelius

max.metelius@advancedsoltech.com

and

Frederic Telander

Frederic.telander@advancedsoltech.com

To the Trustee:

Intertrust (Sweden) AB, Linus Löfgren, trustee@intertrustgroup.com, +46 8 402 72 00

Stockholm on 16 December 2022

Intertrust (Sweden) AB

as Trustee



Advanced Soltech

**Investor presentation to notice of
written procedure**

December 2022

Introduction

Disclaimer

This investor presentation is Advanced Soltech Sweden AB (publ) 's description and a complement to the written procedure sent out by the Agent Intertrust (Sweden) AB on 2022-12-16 to the bondholders of the bonds with ISIN SE0012012680 and SE0012012698 issued by Advanced Soltech Sweden AB (publ).

This investor presentation has been compiled by Advanced SolTech Sweden AB (publ) (**the “Company”**) and no third-party validation of the information in this document has been performed. Nor has any external audit of any kind been carried out. The presentation is only a summary of the proposal regarding changes to terms and conditions and in the event of deviations from the information in the Request for Change of Terms and Conditions, the Request for Change of Terms and Conditions shall have preferential right of interpretation. The information in the document is offered and provided to a limited group of investors. The document is not intended for the public and does not constitute advice to the public or any other party than those referred to above. The presentation is strictly confidential and may not, without permission, be copied, published, distributed, or transmitted in its entirety or in parts by anyone in any form or purpose. The information in this document does not constitute an investment offer in a security of any kind, parts of or the presentation in its entirety shall not be the basis for or relied upon in any investment decision in any security. When an investment decision is made, each potential investor must rely on their own evaluation, analysis and investigation of the Company and the terms and conditions as a basis for a potential investment. There may be risks related to the Company's business operations, earnings and financial position that have not been identified. All information in this document must be carefully considered. There are no guarantees that the Company will be able to fulfill its obligations under the bonds referred to in this document.

No updated risk factors

In connection with the request for changes in terms and conditions regarding the bonds, additional risks may have arisen. The risk factors appended to this investor presentation are those prepared in connection with the last subsequent bond issue and has not been updated since then.

Placing and arrangement fee

JOOL Corporate Finance AB in its capacity as corporate finance advisor to the Company will be paid a fee by the Company if the proposal is accepted.

Statement of responsibility

It is hereby confirmed that the board of Advanced SolTech Sweden AB (publ) is responsible for the information in this document and hereby assured that all reasonable precautions have been taken to ensure that the information in the material, as far as the board is aware, is correct and correspond with actual conditions and that nothing is omitted which could affect its meaning.

// The board of Advanced SolTech Sweden AB (publ)

Management letter

The Chinese market for solar energy is growing very fast. During the third quarter, the company had revenue of 72.5 MSEK and the portfolio with installed projects keeps growing, and as a result of that we have a record in electricity production. The Chinese economy has been adversely affected by three years of COVID-restrictions, but this has not affected the demand for our offering.

The transition to green energy and increasing importance of energy security, contributes to that we expect the demand will continue to grow for the foreseeable future. The strong demand and the Chinese government's support for what we do is reflected in a strong order book and newly signed strategic cooperation agreements. Advanced Soltech has a strong underlying business with solid cash flow and has always been able to fulfill its commitments, both repayment of debts and interest payments.

The company is now mature to finance the portfolio locally in China. Loans in the local currency have the advantage of decreasing the foreign exchange risk, furthermore, we also see that the interest rates are lower than in Scandinavia. During the last year, we have worked intensively with several Chinese banks and have come a long way. The administrative processes that are associated with refinancing in China, have been more time-consuming and complicated than we expected. Unfortunately, this means that the repayment of the bonds SOLT5 and SOLT2 on, respective maturity date, 25th of January and 28th of February 2023, will not be met.

There are several ongoing refinancing processes, and we expect to finalize the loans and repay the bonds before the 8th of July. This does not imply that our business will come to a halt, all production

and sales of electricity will continue to generate cash flow, and once we have finalized the financing, we will continue our growth journey.



Max Metelius, CEO

Summary of the Proposal

About ASAB and status

Advanced SolTech Sweden AB (publ) (“**ASAB**” or together with its subsidiaries the “**Group**”) is a Swedish independent power producer with its operating assets in China. ASAB owns and manages approx. 230 MW of rooftop solar power facilities sells the generated electricity to the respective property- and grid owners. The demand for the Group’s services is high and the financial performance of the Group has been record high during 2022, both in revenue and operating profit.

During 2019 – 2020 the Group has issued senior secured bonds to finance its installation of a total amount of approx. SEK 619m* in SEK and EUR (the “**Bonds**”). The refinancing of the Bonds has proven to take longer time than expected. Even though ASAB are in advanced stages of refinancing the company does not foresee that they will be able to complete such transaction, and subsequently repay the Bonds at maturity date. To cope with the delayed refinancing the Group asks bondholders for consent to extend the maturity date of the Bonds until 8th of July 2023.

The Proposal and Voting in short

New maturity date:	8 th of July 2023 (prev. 25 th of January 2023)
Increase in interest:	The interest margin will increase by 2%-points. from 9% p.a. to 11% p.a.
Last voting date:	12:00 CET. 4 th of January 2023
Interest payment:	Paid quarterly (no change)
Redemption price:	100% of the nominal amount

Key takeaways



Refinancing plan ongoing, but slower than expected



Strong underlying demand of the Group’s services



Year on year growth of 54% in revenue for Q3 22 vs Q3 21



*Interest coverage ratio > 1.5x over the trailing twelve months (“**TTM**”)*

Installed capacity end of quarter (MW)



Interest coverage ratio TTM



Background and Proposal

Background

- The Group has between 2019 and 2020 issued senior secured bonds of approx. SEK 619m* in SEK and EUR currency with ISIN SE0012012680 and SE0012012698
- The Bonds matures 25th of January 2023
- During the year the Group has worked with a funding plan which has included refinancing of the Bonds as well as financing further investments and growth
- The 18th of August the Group announced that they had received a positive credit decision from China Bank of Communications. The intent was to use the credit facility to refinance the Bonds
- During the closing of the facility it showed that the lender would like to receive their collateral, which proved to be a technical issue that has not been resolved
- The Group has also worked separately with another financing source which is engaging in discussions regarding administration of the loan
- As holidays are coming up ASAB does not foresee that they will be able to close any new funding until the maturity of the Bond and therefore seeks an extension of the maturity date

Proposal

The proposal

- ASAB seeks to:
 - Extend the maturity date of the Bonds until 8th of July 2023
 - Reduce the notification period for redemption from 15 to 5 business days
 - The changes are conditioned on that the maturity date for the bond SOLT2 is extended until at least 9th of July 2023, otherwise the Bonds are payable at latest the 27th of February 2023

Interest

- The interest and margin of the Bond will increase to STIBOR 3m + 11% p.a. for the SEK-bonds and EURIBOR 3m + 11% p.a. for the EUR-bonds (previously 9% p.a.)
- The interest is paid quarterly with one payment in January, one payment in April and any accrued and unpaid interest is paid at the new maturity date

Call structure

- ASAB has a call option to redeem the Bonds anytime at a price of 100% of the nominal amount plus accrued and unpaid interest

Current capitalization structure in ASAB

	Outstanding bond issues	Amount (end of Q3)	Maturity date	Collateral
<ul style="list-style-type: none"> The Group's external funding items consist of subordinated loans, unsecured bonds and the senior secured Bond 	SOLT2 <i>Unsecured bond</i>	SEK 127.7m	2023.02.28	Unsecured
<ul style="list-style-type: none"> The total amount of outstanding bond debt by ASAB is approx. SEK 966m* 	SOLT3 <i>Unsecured bond</i>	SEK 148.3m	2023.07.09	Unsecured
<ul style="list-style-type: none"> The Bond is the single senior secured debt The Group has total net assets of SEK 1 897m and a total interest bearing net debt of SEK 1 017m 	SOLT4 <i>Unsecured bond</i>	SEK 70.4m	2023.11.08	Unsecured
<ul style="list-style-type: none"> The Group is working actively with securing a new long term funding structure ASAB will besides the written procedure for the Bonds go out with a written procedure regarding the bond SOLT2 and aims to extend the maturity until July 2023 	SOLT5 Senior Secured Bond	SEK 320.8m EUR 27.3m	2023.01.25	The Groups only senior secured debt, secured through: <ul style="list-style-type: none"> - Shares in the Chinese subsidiaries ASRE and Suqian - Downstream loans of EUR 68.6m, with attached security in solar power facilities

Refinancing plan

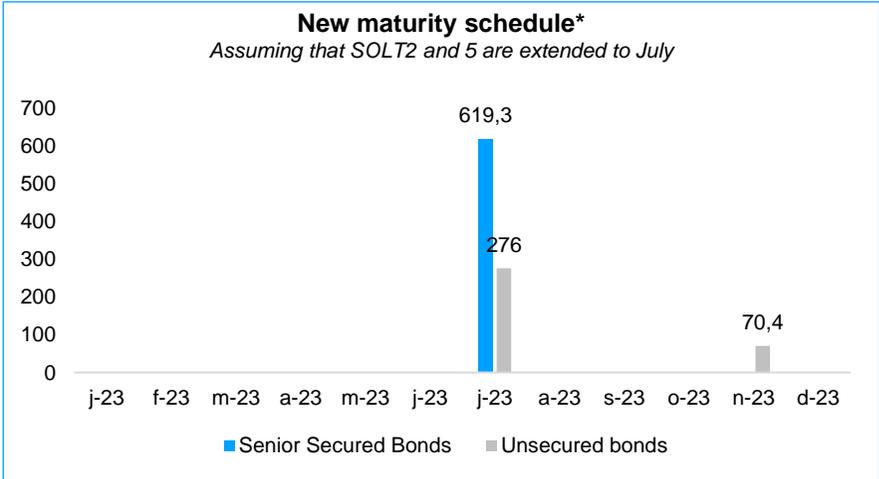
Refinancing through local financiers

- ASAB prefers a capital structure with less f/x-risks
- Local bank financing will reduce the f/x-risk significantly as both assets become denominated in CNY
- The 18th of August 2022 ASAB announced that they had received a positive credit decision from China Bank of Communications
- The deal did not go through due to closing mechanisms that required the agent to release security before the Bonds were refinanced
- During H2 2022 ASAB has worked with another large financier in China to replace Bank of Communications
- The other party has shown great interest in both refinancing the senior secured bonds as well as providing a lending facility that will finance growth, and is currently engaging in discussions regarding administration of the loan

Regardless of counterparty, ASAB has received indications that any debt facility aimed to refinance the senior secured bonds will yield significantly lower interest

Capital market actions

- The Group investigates refinancing through bonds in addition to Chinese bank loans
- ASAB has a good track record of raising financing in the Swedish market and may use either the Swedish capital markets or international capital markets, closer to where its assets are located
- ASAB receives good interest amongst investment banks that are interested in arranging additional financing



ASAB expects to receive new funding sources and refinance the Bonds H1 2023

*Amounts as per 2022.09.30

Voting

Registered bondholders

- To participate in the voting of the Proposal a bondholder must fill in a voting form found in schedule 1 of the written procedure
- In the voting form each bondholder must fill out its name/entity, nominal amount and tick a box to either (a) approve, (b) reject or (c) refrain from voting
- Each bondholder is asked to tick a box to confirm if the vote also constitute a vote for a potential second written procedure regarding the same proposal
- **If the quorum requirement is not met for any of the written procedure, the Issuer intend to immediately launch a second written procedure where no quorum requirement applies**

Power of attorney

- Schedule 2 in the written procedure contains a power of attorney
- A power of attorney is needed if you are not the registered owner or authorized nominee on a securities account, for example if a security firm holds bonds on your account
- If you wish to vote on bonds registered in someone else's securities account you need to send in the voting form together with a power of attorney
- An alternative way is to ask the person/entity holding the bonds to vote as instructed by you

Quorum and majority

- Quorum is obtained in the written procedure if bondholders representing at least 50% of the adjusted nominal amount participates in the voting and reply to the Proposal
- Approval of the Proposal require a majority of at least 66.67% voting in favour of the Proposal
- If a quorum is not reached in the written procedure and a second written procedure is initiated, the quorum requirement does not apply
- If a majority decision is reached it will affect all bondholders, regardless if a bondholder has voted in favour of the Proposal or not

Timeline and delivery of votes

- The agent must have received the votes at **latest 12:00 CET 4th of January 2023**

- Votes shall be sent to the agent, Intertrust (Sweden) AB

By regular mail

- Intertrust (Sweden) AB
- Attn. Intertrust (Sweden) AB, Sveavägen 9, 10th floor, 111 57 Stockholm, Sverige

By courier

- Intertrust (Sweden) AB
- Attn. Intertrust (Sweden) AB, Sveavägen 9, 10th floor, 111 57 Stockholm, Sverige

By email

- trustee@intertrustgroup.com

Further information

- For further information, please contact any of the respective parties listed below:

- For the agent:

 - Intertrust (Sweden) AB
 - Intertrust (Sweden) AB, trustee@intertrustgroup.com, +46 8 402 72 00

- For ASAB's financial advisor:

 - JOOL Corporate Finance AB
 - Emil Jangvik, ej@joolcorp.se, +46 733 55 64 58

- For ASAB:

 - Max Metelius, max.metelius@advancedsoltech.com, +46 723 16 04 44
 - Frederic Telander, frederic.telander@advancedsoltech.com, +46 705 25 16 03

ASAB and business model

ASAB in brief



Founded with the vision of accelerating the migration to renewable energy through a solar service offering that benefits all stakeholders

Solar as a Service



What ASAB does

- ✓ ASAB **owns** rooftop solar plants and **sells electricity** to the property owner at a discount
- ✓ ASAB **finances** solar power installations on the roof of commercial real estate in China
- ✓ The customer commits to buy the electricity over the next 20-25* years



What ASAB does not do

- ✗ ASAB does not **sell solar panels**
- ✗ Third-parties are responsible for EPC-services
- ✗ ASAB is **not bound** to use any particular technology or supplier
- ✗ ASAB does not target households



230.2
MW
Installed capacity



160
Customers



20
Years*
Typical contract length



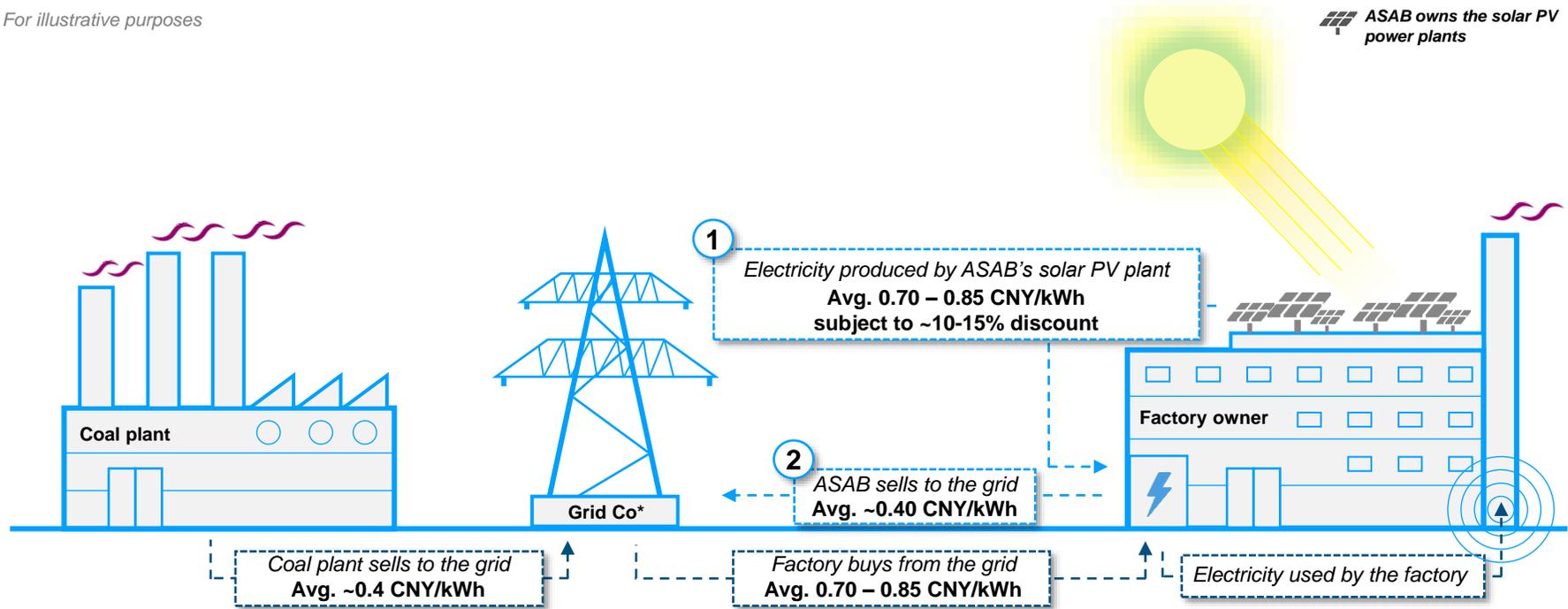
12-15
%
Target project yield



18
FTE
In the Group

ASAB enables customers to buy electricity at a discount

For illustrative purposes



- 1** ASAB sells solar PV electricity produced on the rooftop to the customer/factory owner at a ~10-15% discount price compared to the grid price
- 2** If the customer/factory owner does not purchase the electricity produced by the solar PV, ASAB sells the electricity produced directly to the grid

Management and board of directors

Operating management



Frederic Telander, working chairman of the Board of Directors

- Previously CEO of ASAB and Chairman and CEO of Soltech Energy where he cofounded ASAB. Previous partner at EIG Venture Capital Ltd
- Owns 22 404 shares¹ and 406 849 warrants



Max Metelius, CEO

- Previously CFO/COO of ASAB. Co-founded Alight Solutions. a solar energy consulting and PPA provider. Previously worked at HQ Bank and Carnegie. primarily within emerging markets
- Owns 32 000 shares¹ and 387 475 warrants



Lars Höst, CFO

- Most recently CFO at Ortivus. listed on Nasdaq Stockholm. Previously CFO / Head of accounting at D-Link Northern Europe. Sitetel Sweden and Gunnebo Nordic
- Owns 116 243 warrants



Cecilia Xia, General Counsel

- Cecilia has worked as a lawyer at Setterwalls Advokatbyrå within the areas of M&A. VC and corporate law for Swedish and international companies. Speaks Swedish. English and Chinese
- Owns 38 748 warrants



Gang Bao, CEO of Advanced SolTech Renewable Energy

- Gang has worked at ASAB since 2015. Previously sales and marketing manager at Advanced Solar Power Hangzhou and experience from software companies
- Owns 387 475 warrants

Board of directors ASAB



Vivianne Holm

- Vivianne has extensive experience from the finance industry and has previously worked within equity research, corporate finance, business development, capital raising and investor relations.
- Owns 47 361 shares*



Patrick de Muynck

- Patrick has worked in the financial sector for most of his 35-year career working in London and New York. Previous partner with EQT Partners and responsible for the Credit activity
- Owns 25 255 shares



Ben Wu

- Founder and CEO of ASP. In 2007 to 2008, before founding ASP, Ben had a prominent role at Lenovo, and among other assignments worked at McKinsey from 2004 to 2006
- Owns 406 849 warrants, ASP owns ~10.9m shares



Stefan Ölander

- CEO at Soltech Energy. Previously Director of Communications for SEB and Kinnevik. Founded Rewir, a leading branding consultancy during the 2000s
- Owns 2 581 shares, SolTech owns ~11.4m shares

Other board of Directors include:

- Frederic Telander
- Gang Bao

Portfolio and financial development

ASAB at a glance

151

Operating facilities

230.2

Installed MW

~ SEK 198m

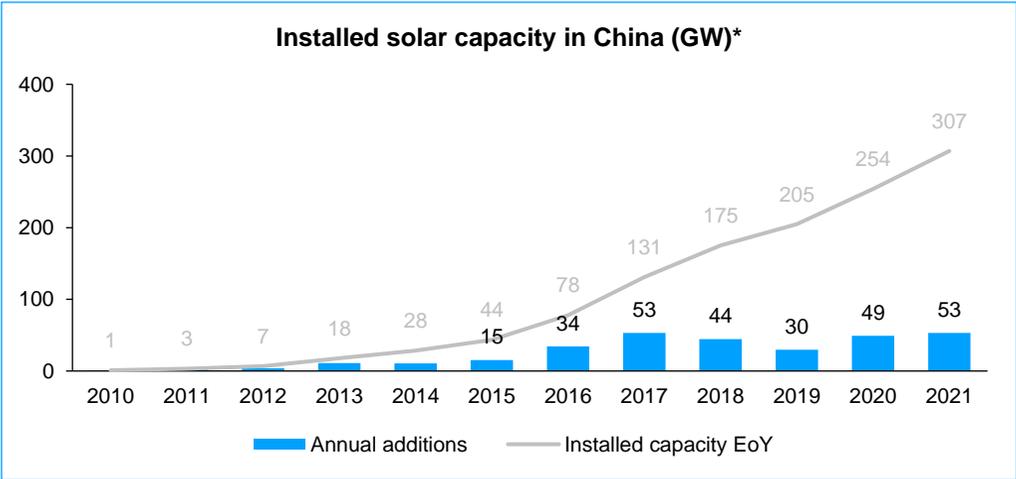
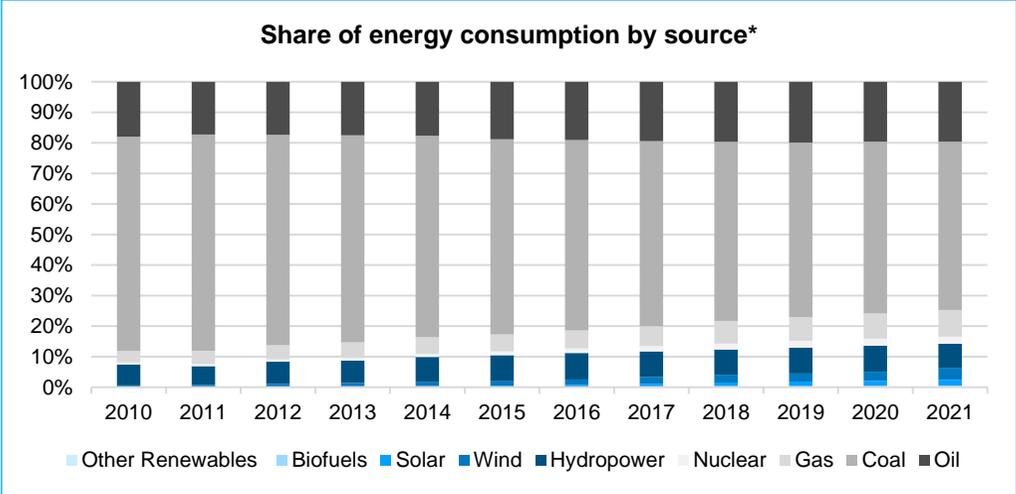
In revenue TTM

+ SEK 1 500m

Invested capital

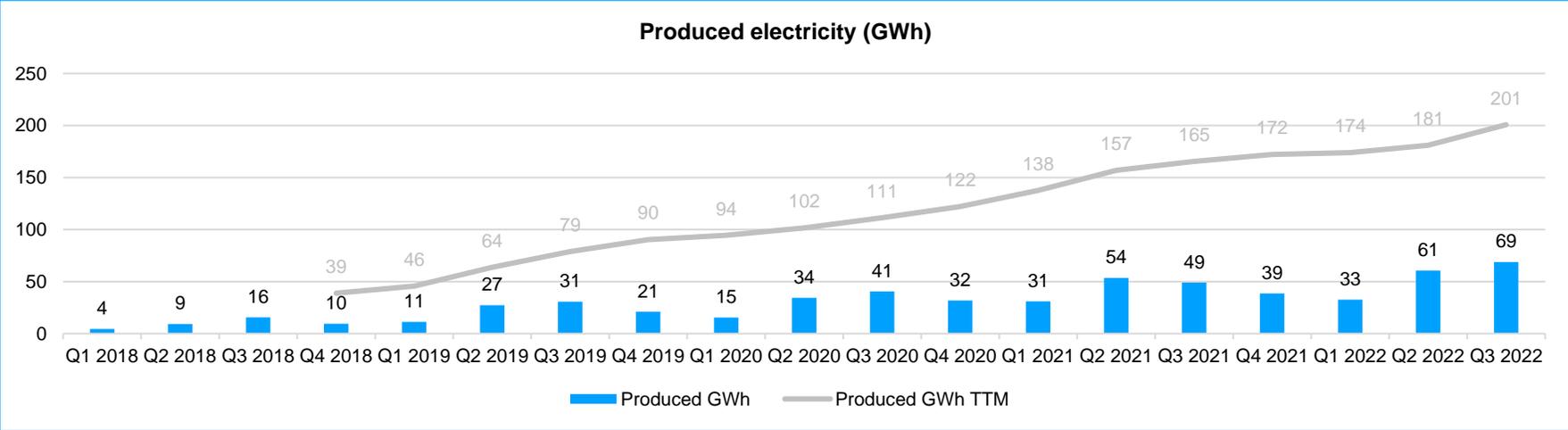
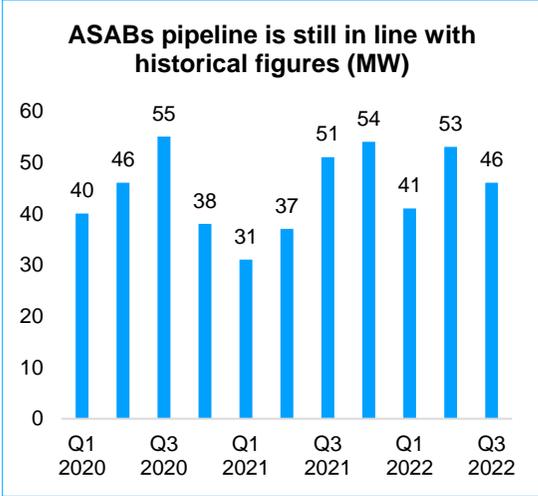
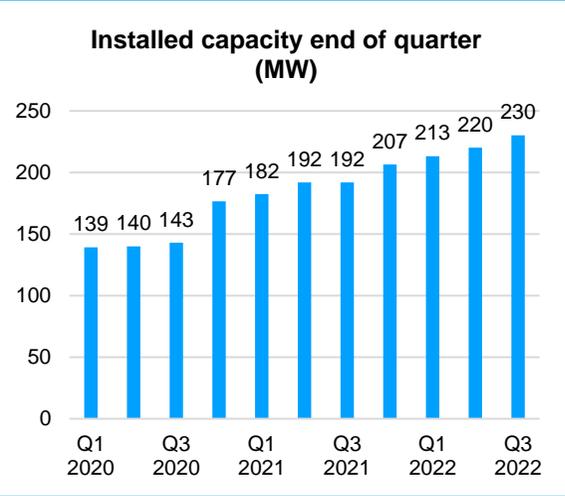
Strong underlying market conditions and growth within solar

- China still experience a large need of renewable energy sources
- Renewables only represented 14.2% of the energy consumption during 2021
 - The renewables only represented 13.6% 2020
 - Consumption from solar was just around 2%
- The solar market, defined as installed capacity continues to grow
- The annual installed capacity for 2021 equalled the record high 2017 boom which was fuelled by subsidies
- The total solar market in Chinas was estimated to approx. 307 GW
- ASABs installation only cover a minor praf of the market



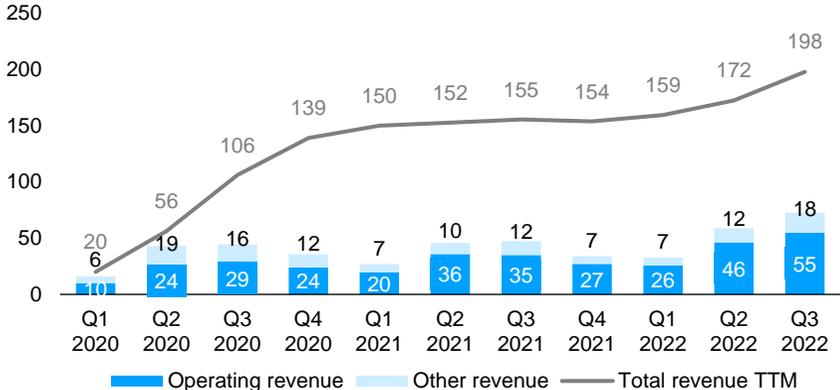
Installed capacity and pipeline

- ASAB had 230 MW installed capacity at the end of Q3 2022
- ASAB has had a large pipeline of projects and the main constraint on additional growth has been accessibility to funding
- The produced electricity has continued to increase as additional capacity is being installed
- In Q3 ASAB proceed 69 GWh of electricity which was a record month
- Due to seasonality the production is lower in Q4 and Q1

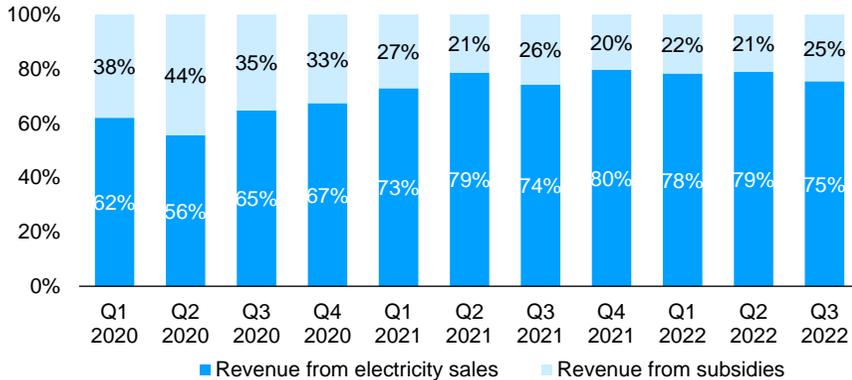


Financial performance

Revenue development (SEKm)

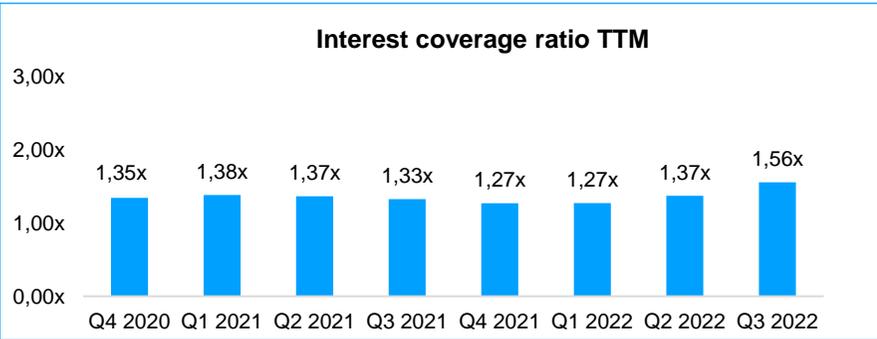
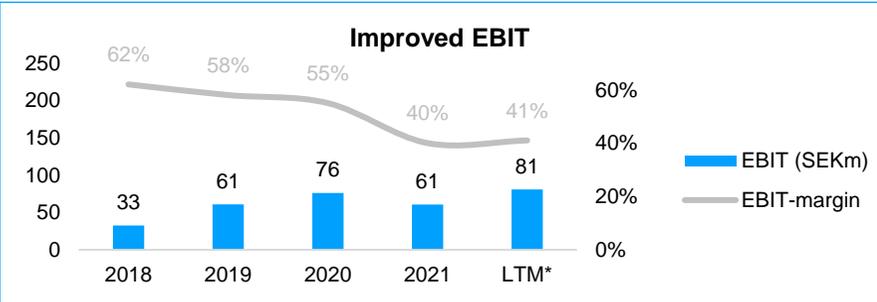
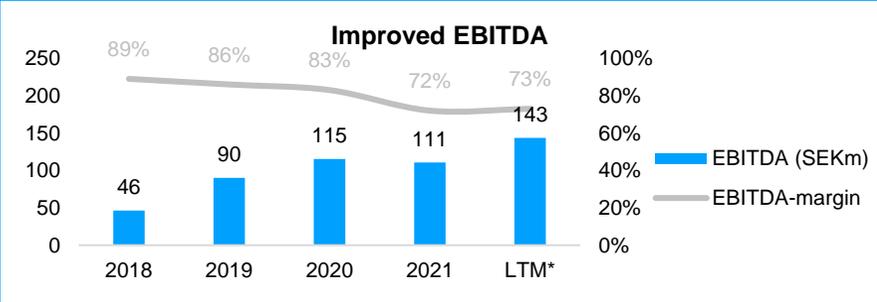


Decreased dependency on subsidies



- The Group has experienced almost constant sequential growth
- Over the trailing twelve months the Group had revenue of approx. SEK 198m
- The increase in revenue is due to a higher installation base
- Q3 2022 the Group had revenues of approx. SEK 73m which was a record for the Group
 - The Q3 revenue was an increase of 54% compared to Q3 2021
- Approx. 25% of the revenue for Q3 2022 derived from subsidies
 - In H1 2020 approx. 40% of the Group's revenue derived from subsidies
- Subsidies are paid per produced kWh and the Group has received state, provincial and local subsidies
- The subsidy scheme has been discontinued as solar power developers gain significant margin on its investments

Profitability metrics and interest coverage



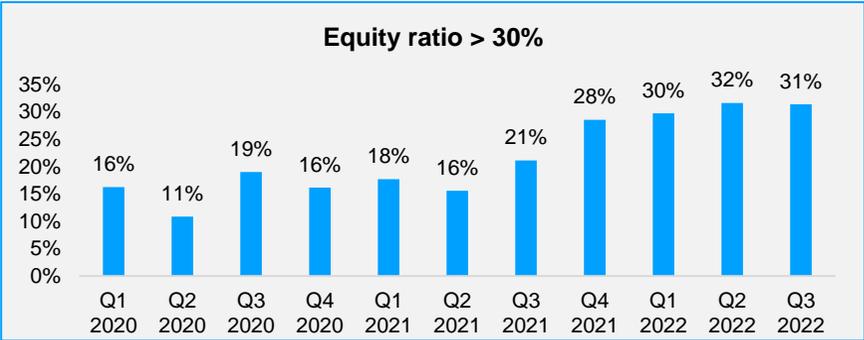
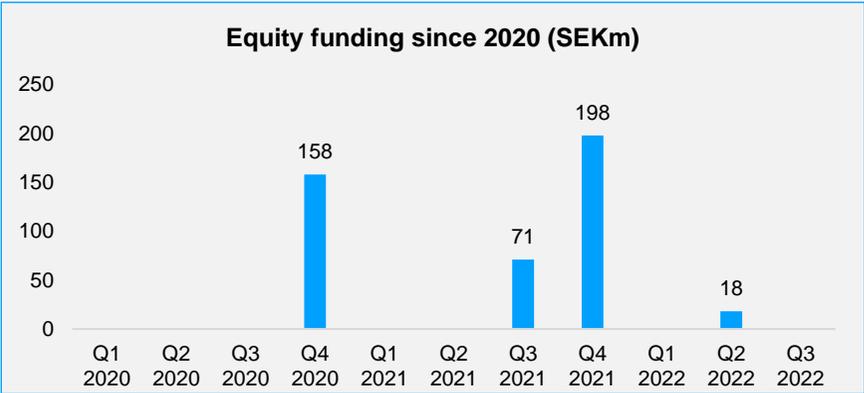
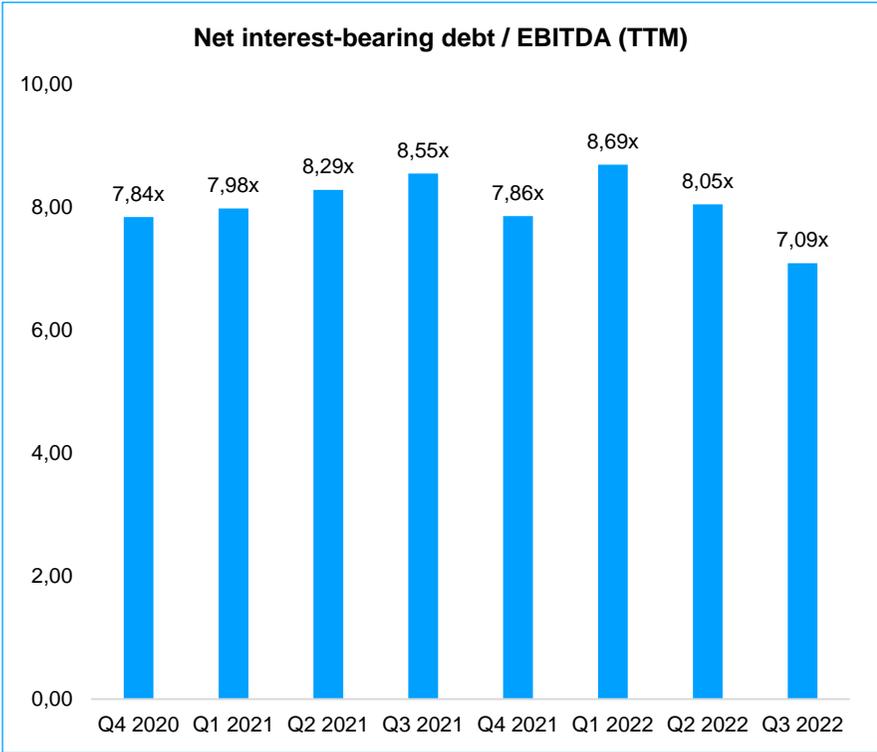
- The Group performed an EBITDA of approx. SEK 143m over the trailing twelve months with an EBITDA-margin of approx. 73%
- The EBITDA scales with the growth of the asset base and revenues
- The Group’s EBIT was SEK 81m over the trailing twelve months
- The Group writes off its assets over the contract period, normally being 20 years
- As there is a lag between investment and completion of assets the Group’s interest coverage ratio, measured as its EBITDA over its interest expenses (excluding cost of raising capital), suffers from a natural lag
- Over the trailing twelve month the Group had an interest coverage ratio of 1.56x, showing robustness in its business model and financials

The Group’s current result cover the interest payments with a comfortable margin, thus not putting stress on any coupon payments

Financial leverage, equity ratio and equity issuance

- The Group's leveraged is measured as its net-interest-bearing debt to EBITDA, which measures the Group's ability to repay its debt
- The Group currently has its lowest leverage since 2020
- By the end of Q3 2022 the Group had a net-interest-bearing debt to EBITDA ratio of approx. 7.09x

- The Group has attracted > SEK 440m in equity funding since 2020
- With increased profitability and new funding the equity ratio is now above 30%
- The equity position is better than the Group's financial target



Financial targets

Installed capacity

1 000 MW

Installed capacity by year-end 2024

Project yield

12-15%

Gross project yield*

Capital structure

>25%

Equity ratio

For a foreseeable future, ASAB will focus on growth and does not intend to propose any dividend for the coming year. The Board will review the dividend policy annually

Appendices

Latest Company Updates and selected news during 2022

Signed orders:

- [Advanced Soltech signs three orders in China, that generates a total of approx. SEK 135 million during the contract period - 8 MW](#) (2022-11-02)
- [Advanced Soltech enters into a strategic agreement regarding 300 MW of roof-top based solar facilities until 2024, which fully developed will generate an estimated annual revenue of SEK 260 million - 300 MW in Zhangjiakou](#) (2022-10-24)
- [Advanced Soltech signs orders in China that generates approx. SEK 30 million during the contract period – 2.4 MW in the Fujian province](#) (2022-09-08)
- [Advanced Soltech signs order in China that generates approx. SEK 8.2 million during the contract period – 0.43 MW in the Zhejiang province](#) (2022-08-25)
- [Advanced Soltech signs order in China that give approx. SEK 94 million according to the contract period – 5.9 MW](#) (2022-07-18)
- [Advanced Soltech signs order in China that generates approx. SEK 134 million during the contract period - 8 MW in the Anhui province](#) (2022-06-28)

Other selected news:

- [New records for solar power in China](#) (2022-09-27)
- [ADVANCED SOLTECH INTERIM REPORT THIRD QUARTER 2022](#) (2022-11-01)
- [ADVANCED SOLTECH INTERIM REPORT SECOND QUARTER 2022](#) (2022-08-23)
- [Positive decision from China Bank of Communications regarding financing of approximately MSEK 615 in China](#) (2022-08-18)
- [Report from the Advanced Soltech Sweden AB \(publ\). on May 19, 2022](#) (2022-05-19)
 - Customary decisions were taken
 - Decided upon name change of ASAB to Gigasun to be implemented

Income statement overview

ASAB consolidated income statement

SEKm	Q3 2022	Q3 2021	2021	2020
Net revenue	54.7	34.9	117.4	86.4
Other operating income	17.8	12.2	36.2	52.4
Total revenue	72.5	47.1	153.5	138.8
Other external expenses	-10.3	-7.1	-28.4	-13.8
Personnel expenses	-4.3	-3.3	-14.2	-9.1
Depreciation and amortisation	-17.6	-13.3	-50.1	-39.1
Other operating costs	0	-0.2	-0.2	-0.7
Operating profit	40.5	-23.2	60.7	76.2
Interest income and similar income items	0.1	0	0.1	1.8
Interest expenses and similar charges	-36.0	-32.5	-129.9	-123.6
Currency gains and losses	16.1	22.1	92.8	-41.3
Profit after financial items	20.7	12.8	23.7	-87.0
Profit before tax	20.7	-0.4	23.7	-87.0
Tax	0	12.4	-7.5	-10.1
The result for the period	20.7	12.1	16.2	-97.0
<i>Attributable to the parent company's owners</i>	0.1	0.3	16.0	-98.5
<i>Minority interest</i>	20.6	12.2	0.2	1.5

Balance sheet overview

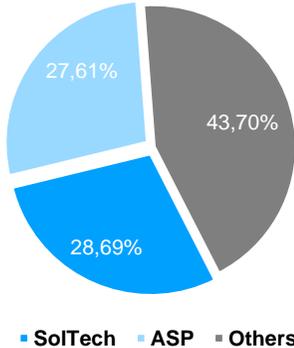
ASAB consolidated balance sheet

SEKm	2022 sep	2021 sep	2021 dec	2020 dec	SEKm	2022 sep	2021 sep	2021 dec	2020 dec
Total intangible fixed assets	47.9	44.0	45.3	42.3	Share capital	7.9	4.3	7.8	4.3
Total intangible fixed assets	47.9	44.0	45.3	42.3	Additional paid in capital	569.4	397.8	552.9	332.0
Tangible fixed assets					Retained earnings including profit/loss for the period	40.6	-90.2	-61.2	-133.6
Solar PV installations	1 565.4	1 181.5	1 302.1	918.2	Equity related to:				
Solar PV under construction	138.9	12.0	69.2	60.0	Owners of the parent company	610.9	304.4	491.9	195.6
Other tangible assets	2.7	2.2	2.5	1.7	Minority interest in equity	7.0	7.5	7.5	7.0
Total tangible fixed assets	1 707.0	1 195.7	1 373.8	979.9	Total equity	617.9	311.9	499.5	202.7
Financial assets					Provisions				
Other long-term receivables	37.5	71.7	90.3	88.3	Deferred tax liability	13.3	8.7	12.1	7.9
Deferred tax assets	1.5	1.7	1.3	7.9	Total provisions	13.3	8.7	12.1	7.9
Total financial fixed assets	39.0	73.4	91.6	96.1	Non-current liabilities				
Total fixed assets	1 793.9	1 313.1	1 510.7	1 118.3	Other non-current liabilities	74.8	37.8	68.1	34.9
Current assets					Liabilities to group companies	0.0	28.4	0.0	27.3
Short-term receivables					Bond loan	62.3	905.3	912.0	882.7
Accounts receivable	59.1	39.2	36.2	23.5	Total non-current liabilities	137.1	971.5	980.1	944.9
Other receivables	7.3	30.6	25.2	16.8	Current liabilities				
Prepaid expenses and accrued income	37.2	45.8	20.1	25.1	Liabilities to credit institutions	42.3	40.8	46.8	0.0
Total current receivables	103.6	115.5	81.5	65.5	Bond loan	887.9	0.0	0.0	0.0
Cash and bank balances					Accounts payable	107.4	83.5	130.5	56.6
Cash and bank balances	75.2	51.6	160.7	73.3	Tax liabilities	0.0	0.6	3.2	9.1
Total cash and bank balances	75.2	51.6	160.7	73.3	Other current liabilities	17.6	13.1	18.1	8.5
Total current assets	178.8	167.1	242.2	138.8	Accrued expenses and prepaid income	149.0	50.1	62.7	27.3
TOTAL ASSETS	1 972.7	1 480.2	1 752.9	1 257.0	Total current liabilities	1 204.3	188.1	261.3	101.6
					TOTAL EQUITY AND LIABILITIES	1 972.7	1 480.2	1 752.9	1 257.0

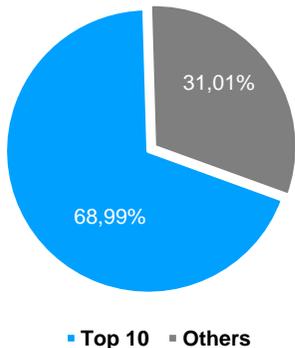
Ownership data*

#Owner	Shares	Capital	Votes	Country	Verified
1 Soltech Energy Sweden AB (publ)	11 373 941	28.69%	28.69%	Sweden	2022-09-28
2 Advanced Solar Power (Hangzhou) Inc.	10 943 940	27.61%	27.61%	China	2022-09-28
3 Isac Brandberg AB	1 816 665	4.58%	4.58%	Sweden	2022-09-28
4 Stiftelsen The World We Want	1 033 199	2.61%	2.61%	Sweden	2022-09-28
5 Gryningskust Holding AB	525 131	1.32%	1.32%	Sweden	2022-09-28
7 Avanza Pension	514 458	1.30%	1.30%	Sweden	2022-09-28
6 Cozios Enterprises AB	425 925	1.07%	1.07%	Sweden	2022-09-28
8 Futur Pension	255 198	0.64%	0.64%	Sweden	2022-09-28
9 Swedbank Försäkring	249 699	0.63%	0.63%	Sweden	2022-09-28
10 Fredrik Ståhl	215 277	0.54%	0.54%	Sweden	2022-09-28
Top 10 owners	27 353 433	68.99%	68.31%		

SolTech and ASP ownership vs others

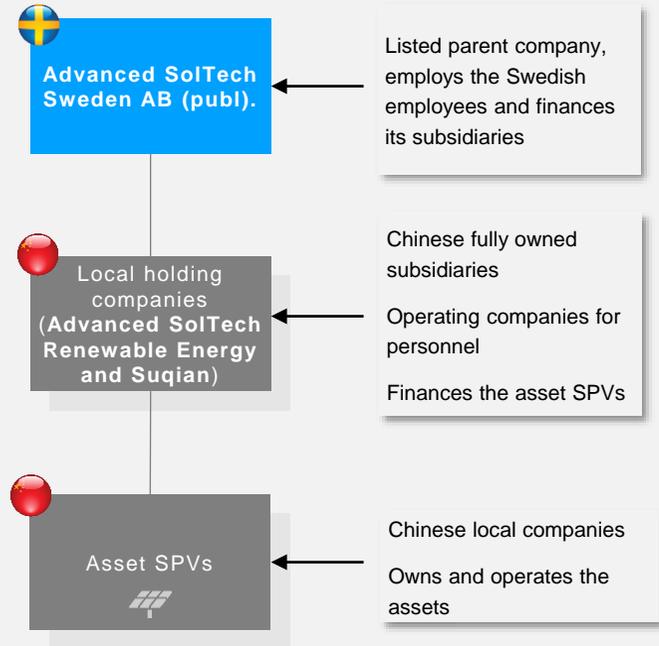


Top 10 owners vs others

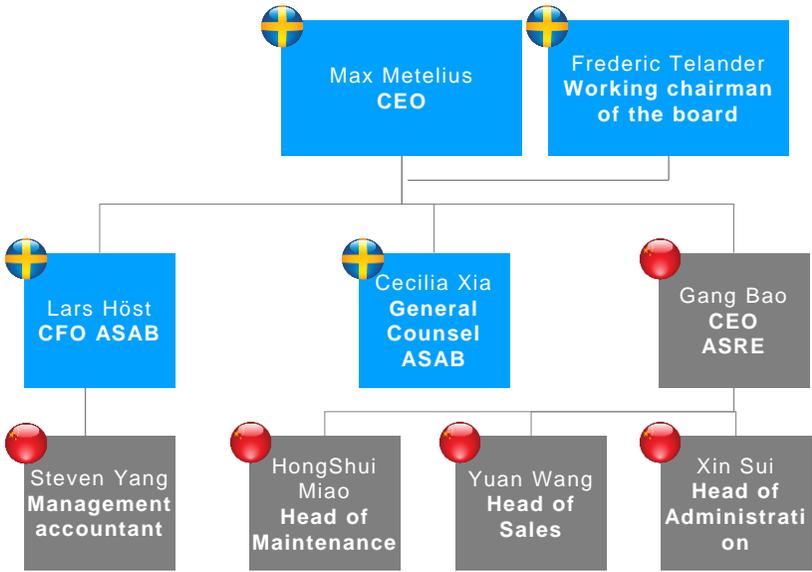


Organisation supporting strong growth in installed capacity

Current asset structure



Organizational structure



- The Company is running a lean organization with 18 full-time employees
- Other critical functions such as sales and EPC are outsourced to third parties
- After a year of investing in and building up the corporate structure of the Company, it has now reached a lean and scalable organization
- The current financial goal of reaching 1 000 MW in installed capacity does not necessarily translate to a significantly larger organization than what is seen in the existing structure

Risk factors

THESE RISK FACTORS HAVE BEEN APPENDED TO THE INVESTOR PRESENTATION PREPARED FOR THE WRITTEN PROCEDURE INITIATED IN DECEMBER 2022 FOR INFORMATION PURPOSES ONLY.

IN CONNECTION WITH THE INITIAL BOND ISSUE THAT WAS COMPLETED ON 25 JANUARY 2019 (THE "**BOND FINANCING**"), ONLY A LIMITED VERIFYING LEGAL REVIEW WAS MADE OF THE ISSUER'S BUSINESS AND ASSETS AND A LIMITED VERIFYING LEGAL REVIEW WAS CONDUCTED OF ASRE AND LSE SUQIAN (AS DEFINED BELOW RESPECTIVELY) ON A LIMITED AMOUNT OF DOCUMENTATION AND HAS NOT BEEN UPDATED SINCE THE DATE OF THE INITIAL BOND ISSUE, THE FIRST TAP ISSUE, THE SECOND TAP ISSUE, THE THIRD TAP ISSUE OR THE FOURTH TAP ISSUE. THERE MAY THUS BE RISKS RELATING TO THE ISSUER'S BUSINESS, RESULTS AND FINANCIAL POSITION NOT IDENTIFIED. THERE MAY ALSO BE RISKS MENTIONED BELOW THAT NO LONGER ARE RELEVANT.

These risk factors were prepared in connection with the Bond Financing, and the bonds issued thereunder (the "**Bonds**") by Advanced Soltech Sweden AB (publ) (the "**Issuer**") the proceeds of which was used towards financing transaction costs, equity injections and downstream loans (the "**Downstream Loans**") to Advanced Soltech Renewable Energy (Hangzhou) Co., Ltd. ("**ASRE**") and Longrui Solar Energy (Suqian) Co., Ltd. ("**LSE Suqian**") for their acquisition and/or construction of solar power facilities and general corporate purposes of the Issuer. These risk factors were updated in connection with the third tap issue by the Issuer of SEK 100,000,000 made in [November] 2019 (the "**Third Tap Issue**") however only with respect to factors relating to the assets which were acquired, constructed or contemplated to be constructed by ASRE in connection with the Third Tap Issue. These risk factors were further updated in connection with the contemplated fourth tap issue by the Issuer of up to SEK [100,000,000] to be made in June 2020

(the "**Fourth Tap Issue**"), however only with respect to factors relating to the construction of the new solar power facilities by ASRE and LSE Suqian.

ASRE, whose business will be financed with downstream loans and equity contributions granted by the Issuer from the proceeds of the Bond Financing, is wholly owned by the Issuer. LSE Suqian, whose business has also been financed with downstream loans granted by the Issuer from the proceeds of the Bond Financing, is owned by the Issuer. The Issuer, any of the Issuer's direct or indirect subsidiaries in China, ASRE and any of ASRE's direct or indirect subsidiaries from time to time, LSE Suqian and any of LSE Suqian's direct or indirect subsidiaries from time to time, are hereinafter jointly referred to as the "**Group**" and each a "**Group Company**". The bondholders (the "**Bondholders**") under the Bond Financing are represented by Intertrust (Sweden) AB (the "**Agent**").

The Bonds will be secured by (i) a pledge over the Downstream Loans granted by the Issuer to ASRE and LSE Suqian respectively, (ii) the shares in ASRE owned by the Issuer, and (iii) the shares in LSE Suqian owned by the Issuer. ASRE and LSE Suqian will in turn secure its respective obligations under the Downstream Loans with a pledge over the PV installations (as described below) and the receivables under certain Rooftop Agreements (as described below). For the avoidance of doubt, the security provided by ASRE and LSE Suqian is not directly securing the Bonds, but only the Downstream Loans, which in turn are pledged to the Bondholders.

The investment in the Bond Financing involves inherent risks. Financial performance of the Group is an important factor to consider when making a decision whether to invest in the Bond Financing. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties materialize, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Issuer's ability to make payments of interest and

repayments of principal under the terms and conditions of the Bonds (the "**Terms and Conditions**"). In this section, a number of risk factors are illustrated, both general risks pertaining to the Group's business operations and material risks relating to the Bond Financing. There could also be other risks not discussed herein, not currently known or not currently considered to be material may also affect the Group's future operations, performance and financial position, and consequently the Issuer's ability to meet its obligations under the Bond Financing. Further, the risk factors are not ranked in order of importance. Potential investors should consider carefully the information contained in this section and make an independent evaluation before making any investments in the Bond Financing.

RISKS RELATING TO THE MARKET AND THE BUSINESS ACTIVITIES

Macroeconomic conditions

Although the Issuer's financial operations are mainly performed in Sweden, the entire commercial operation of the Group is in the People's Republic of China (the "**PRC**"). Substantially all of the Group's assets are located within the PRC. As such, the development of the business of the Issuer is closely connected with the performance of ASRE and LSE Suqian which in turn is connected with the development of the renewable energy business in the PRC, changes in the general economic situation or the taxation system or changes within the system for governmental grants or other regulatory conditions, in each case in the PRC, which are outside the control of the Issuer and the Group. Even smaller changes may have a negative effect on the Group's business, financial condition or results of operations. Even though the Group is operating in a growing market for renewable energy, changes in the global economy may affect the will to invest in new solar energy. A weakened world economy or a long-lasting economic recession may imply a reduced need of electricity which could have a negative impact on the Group's business, financial condition or results of operations.

Risk factors (cont.)

The PRC's legal system

ASRE and LSE Suqian are both incorporated under the laws of the PRC and conduct their business in the PRC. ASRE's and LSE Suqian's business operations are regulated primarily by PRC laws and regulations. PRC laws and regulations are based on written statutes, and past court judgments may be cited only for reference. As these laws and regulations are still evolving, and because of the limited number and non-binding nature of published cases, there exist uncertainties about their interpretation and enforcement.

The PRC legal system is based, in part, on government politics and internal rules (some of which are not published on a timely basis or at all). As a result, ASRE and LSE Suqian may not be aware of its violation of these policies and rules until sometime after the violation. Because of these uncertainties, ASRE and LSE Suqian may be subject to uncertainties in their operation and potential breaches of policies and rules in the PRC which could lead to governmental sanctions that could adversely affect the operations and financial results of the Group.

Credit risk

There is a risk that the Group's counterparties are unable to fulfil their financial obligations towards the Group. An assessment of the credit risk must therefore include an assessment of ASRE's, LSE Suqian's and their subsidiaries' possibility to operate their business and the credit risk that ASRE, LSE Suqian and their subsidiaries have against their customers and the risk that these customers may get in a financial situation where they cannot pay the agreed fees or other amounts owed to ASRE, LSE Suqian and their subsidiaries as they fall due or otherwise abstain from fulfilling their obligations. There are no guarantees that the ASRE's, LSE Suqian's and their subsidiaries' counterparties can fulfil their obligations which would then affect ASRE's, LSE Suqian's and their subsidiaries' possibility to fulfil their obligations against the Issuer which could affect the Group's

business, financial condition or results of operations.

Interest rate risk

The Group has incurred, and may in compliance with the limits set out in the final Terms and Conditions further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks. An increase in interest rates would entail an increase in the Group's interest obligations, which could have a negative effect on the Groups' operations, financial position, earnings and results.

Currency risk

The Chinese currency Renminbi ("RMB") is not freely convertible into other currencies. All activities relating to payments and receipts of foreign exchange and the conversion of foreign exchange into RMB and vice-versa are regulated. All foreign exchange transactions are in some form controlled or supervised by the State Administration of Foreign Exchange in the PRC ("SAFE"), the main regulatory body of the PRC's foreign exchange control system. Only financial institutions designated by SAFE are allowed to process foreign exchange transactions and they must operate special foreign exchange accounts for this purpose. Foreign currency is not permitted to be circulated or used for payment within the PRC. Any domestic institution or individual that makes a payment in foreign exchange overseas in an amount equivalent to more than USD 50,000 must first make a tax filing with the competent office of the State Administration of Taxation where the institution or individual is located. Generally, this can cause certain delays

and require certain paper work and may have adverse effect on the Group's business. The PRC government may temporarily restrict certain payments in relation to, inter alia, dividends. In such cases, this may have a detrimental effect in relation to ASRE's and LSE Suqian's ability to pay for example dividends to the shareholders. Further, the exchange rate between RMB and other currencies may fluctuate from time to time and be affected by, among other things, changes in the PRC's political and economic environment. The fluctuation in the exchange rate between the RMB and other currencies may have an adverse effect on the business, results of operations and financial condition of the Group and the Issuer. A weakening of the RMB against the EUR or SEK means that ASRE and LSE Suqian may have exchange loss on their books which leads to a reduced income in real terms for the Group. The Group does not use any form of hedging to mitigate such currency risks. The devaluation of the RMB may adversely affect the value of, and any dividends payable on, the shares held by the Issuer as the foreign shareholder of ASRE and the shares held by the Issuer as the foreign shareholder of LSE Suqian. This may have an adverse effect on the Group's business, financial condition or result of operations.

Financing and refinancing

Refinancing and new financing risks are the risks in relation to ASRE and/or LSE Suqian not being able to obtain necessary financing, or that such financing is only partly obtained at significantly increased costs as concerns refinancing of existing debts or new borrowing. There is a risk that future refinancing is not possible at all, or is not possible on terms that are attractive for the Issuer, which would have an adverse effect on the business of the Group. In case the Issuer and/or ASRE and/or LSE Suqian are unable to refinance existing debt or obtain additional financing at attractive terms, as a result of an insufficient supply in the capital market or for any other reason, this would have an adverse effect on the Group's business, financial condition or results of operations.

Risk factors (cont.)

Supplier risk

In order to maintain its business, the Group is dependent upon timely deliveries of photovoltaic (which converts light into electricity) ("PV") and thereto related components. Missing or postponed deliveries of the PVs may cause delays with regard to the installations of PVs under construction and future installations. The manufacturing of PVs is a high tech, costly and relatively slow process and interruptions in the production may occur. From time to time, the supply and demand of components necessary for the manufacturing of PVs have varied. Following increases in demand, there is a risk of increase in prices for PVs or that the supply of PVs will decrease, which may lead to delays in the installations of the PVs. These factors may therefore have an adverse effect on the Group's business, financial condition or results of operations.

Competition

The Group operates within the renewable energy industry offering solar energy installations in which there are several actors with similar or alternative technology. Going forward with respect to new solar facilities, it may show that the market prefers other actors' products or that current competitors or other companies develop better or more attractive methods or concepts, other than the solutions the Group provides. Such development may have an adverse effect on the Group's business, financial condition or results of operations. The Group may also be exposed to competition in price from economically stronger actors that may, through quick price reductions, increase their market share or establish similar products. This especially applies within in the solar cell sector where other techniques may prove to be more economically favorable than the technique promoted by the Group. There is always a risk that new technology will emerge. This could have a material adverse effect on the Group's business, financial condition or results of operations.

Executive management, staff and operational risk

ASRE and LSE Suqian rely on consultants for certain services. Advanced Solar Power (Hangzhou) Inc. ("ASP") is ASRE's former shareholder and currently is an affiliated company of ASRE and LSE Suqian. To a large extent ASRE and LSE Suqian use ASP's network of installers/agents to sell, install and provide services to ASRE's and LSE Suqian's installations. In addition, in most cases ASRE and LSE Suqian use ASP as EPC (*engineering, procurement and construction*) contractor, but may also use other parties as EPC contractors. This entails that ASRE and LSE Suqian to an extent are dependent on ASP which entails a risk for ASRE and LSE Suqian since they do not themselves control all vital parts of their business. There is no agreement in place preventing ASP from conducting competing business or increasing prices or ensuring that ASP remains as a key partner. ASRE and/or LSE Suqian may not be able to replace the current organisation if necessary. Operational risk is the risk of incurring losses due to inadequate procedures and/or irregularities. Should the Group's internal control, administrative system adapted for the purposes, skills development and access to reliable valuation and risk models fail, there is a risk that this will have an adverse effect on the Group's business, financial condition or results of operations. The Group's employees' knowledge, experience and commitment are important for the Group's future development. The Group would be affected negatively if key employees would leave the Group, or if the Group's administrative security and control would fail.

Risks relating to insurance coverage

ASRE generally maintains all risks insurance policies for its properties. There might be delays in procuring the insurance policy and during the delayed period its properties are not insured. In addition, there are certain types of losses, such as losses from forces of nature, that are generally not insured because they are either uninsurable or because insurance cannot be obtained on commercially reasonable terms. This practice is consistent with what the Group believes to be the industry practice in the PRC. Certain types of losses caused by war, civil disorder, acts of

terrorism, earthquakes, typhoons, flooding and other natural disasters are not covered. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in such property and anticipated future revenue therefrom while the Group remains liable for. Any such loss could materially and adversely affect the financial condition and results of operations of the Group.

Risks related to the political decisions and regulations regarding the renewable energy in the PRC

The Group acts within areas which take greater consideration to the environment in production of electricity. There are several types of political instruments favouring investments in renewable energy. This can consist of different forms of financing or subsidies for certain types of energy. An important factor in the Group's revenue calculations is the expected subsidies from the PRC government and from regional and local authorities. There is always a risk for changes in these systems, which would have an adverse effect on the Group's business, financial condition or results of operations. In recent years, the PRC government has promulgated a series of laws and regulations to support and encourage the development of solar power. These laws, regulations and policies directly affect the prospects of the domestic solar power industry and are factors that may affect the demand for the Group's business. The level of acceptance of solar power as a viable form of renewable energy by the government agencies that establish energy policies as well as the general public in markets in which the Group operates has a significant effect on us. There is a risk that it would have adverse effect on the Group's business, financial condition or results of operations. Although the PRC government's latest five-year plan has clear directions to promote the development of renewables in order to address PRC's acute pollution problem and for PRC to thereby be less dependent on fossil fuel, should a direct or indirect reduction or termination of government support take place then there may be adverse effect on the PRC solar power market.

Risk factors (cont.)

In the event of changes in the support by the PRC government of the industry in which ASRE and LSE Suqian operate, or changes to the policies associated with ASRE's and LSE Suqian's industry, ASRE's and/or LSE Suqian's operations may be adversely effected. In the event of changes in these preferential policies by the PRC government, solar power may in the future and with respect to the PV installations become less attractive which would have an adverse effect on ASRE's and/or LSE Suqian's business, results of operations and prospects.

In addition, the policies relating to the subsidies for solar power energy in some places of PRC are unstable as local authorities have not officially issued specific regulations or rules to ensure such subsidies. There is a risk that the Group may not receive certain subsidies due to the unstable local policies, which may have adverse effect on the Group's business and financial conditions.

Fluctuations on the electricity market

The revenue for ASRE and/or LSE Suqian is to a great extent dependent on the development in the electricity market in the PRC. A majority of contracts use a floating price mechanism. There are risks of fluctuations in the electricity price. A decrease in the electricity price would have a material adverse effect on ASRE's and/or LSE Suqian's possibility to pay interest and any mortgage payments which would have adverse effect on the Group's business, financial condition or results of operations. The Group does not use any form of hedging to mitigate such risks linked to fluctuations in electricity prices.

Delays and use of products in the connection to the electricity grid

ASRE and LSE Suqian design their installations to suit customers' electricity consumption. In short, ASRE's and LSE Suqian's aim is not to deliver electricity to the grid, but it needs the grid connection to sell any overcapacity, if a customer for whatever reason does not consume all the electricity produced, from time to time and thereby receive

the subsidy from the government which is paid by the grid company. There is also a risk that the price of the power sold to the grid may deviate from the price ASRE and/or LSE Suqian would receive if it was sold to the customer. Furthermore, some of the solar projects have not been completed and/or been connected to the grid. In the event of any difficulties and/or delays in connecting completed installations to the electricity grid in the PRC, this may result in payment difficulties for ASRE and/or LSE Suqian and therefore affect the Issuer's ability to pay the interest to the Bondholders. In addition, certain technical issues with the existing electricity grids to which the existing projects are connected to, such as the less effectiveness of the solar panels as time passes or the decrease of the efficiency of the equipment during the lifetime of the projects, could have adverse effect on the Group's business, financial condition or results of operations.

Sabotage

There is a risk for sabotage, theft, attacks and natural disasters or other force majeure events which the Group cannot control and which are not covered by insurance. Such events would have an adverse effect on ASRE's and/or LSE Suqian's business.

Tax related risks

The structure of the Group is among other things intended to prevent tax liabilities in several levels for the shareholders of the Group. The Group conducts its business in accordance with its own interpretation of applicable tax regulations and applicable requirements and decisions. There is a risk that the Group's or its advisers' interpretation and the Group's application of laws, provisions, judicial practice has not been, or will in the future not be, correct or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which would have an adverse effect on the Group's business, financial condition or results of operations.

The Issuer's dependence on other companies in the Group

The Issuer is a financing vehicle for the purpose of financing ASRE's and LSE Suqian's commercial operations in the PRC. As such, the Issuer does not hold any significant assets. The Issuer therefore depends on the receipt of interest payments and payment of principal under the Downstream Loans granted by the Issuer to ASRE and LSE Suqian, which in turn is dependent on sufficient income and cash flow being generated from the operations of ASRE and LSE Suqian. Consequently, the Issuer is dependent on ASRE's, LSE Suqian's and their subsidiaries' availability of cash and their ability to service the Downstream Loans. A decrease in any such income and cash flow may have an adverse effect on the Issuer's financial condition and its ability to service its debt under the Bonds.

In addition, the Issuer does not have any employees or operations of its own, this means that it is highly dependent on SolTech Energy Sweden AB (publ) to ensure that tasks including corporate administration, accounting, execution of payments etc. are properly carried out. If these tasks are not carried out at all or carried out inappropriately it could have an adverse effect on the Issuer's financial condition and its ability to service its debt under the Bonds.

ASRE's and LSE Suqian's dependence on its affiliated companies

ASRE and LSE Suqian have a slim organisation and a limited number of employees, this means that they are highly dependent on ASP's network and knowledge of the local PRC market to ensure that tasks including corporate administration, accounting, execution of payments etc. are properly carried out. If these tasks are not carried out at all or carried out inappropriately it could have a negative effect on ASRE's and/or LSE Suqian's financial condition and its ability to service its debt under the Downstream Loans and consequently it could have an adverse effect on the Issuer's financial condition and its ability to service its debt under the Bonds.

Risk factors (cont.)

ASRE's and LSE Suqian's shareholder is instrumental in order for their business to develop successfully. In the event that the shareholder of ASRE would divest its shareholding in ASRE entirely or partly, or the shareholder of LSE Suqian would divest its shareholding in LSE Suqian entirely or partly, or choose to conduct business in direct or indirect competition with ASRE and/or LSE Suqian, it could have an adverse effect on ASRE's and/or LSE Suqian's business.

Risks relating to projects acquired by ASRE or LSE Suqian

Some companies/assets which ASRE or LSE Suqian may acquire or have acquired ("**Target Companies**") may have long term receivables. It is possible that these receivables may not be collected in the end since the counterparties may not be able to fulfil their financial obligations. In addition, some Target Companies may have a relevantly high debt ratio. Even if ASRE or LSE Suqian has required these Target Companies to collect the receivables and service the debt, it is still possible that the receivables and payables still exist which may adversely affect ASRE's and LSE Suqian's financial conditions.

Certain solar plant may be forced to be closed by local authority if it materially violates applicable law or due to change of law. In such case, the closed plant will no longer generate electricity and therefore no revenues after its closure.

There are two different models of electricity sale, one model is sale to the grid and other is sale to rooftop owner with surplus to the grid. For the second model, the Target Companies will face credit risks of the electricity buyer, namely rooftop owners. Further, some projects may not clearly state which model applies. Due to this ambiguity, it is uncertain whether the shareholder of the Target Companies will have joint liabilities for the payment of the power fees.

All of the above issues may have adverse effect on the Target Companies' receipt of the power fees. Although

ASRE or LSE Suqian could require the Target Companies to solve these problems, it is still possible that these problems will remain which may adversely affect ASRE's and LSE Suqian's business and financial conditions.

Project risk

The contemplated construction works of certain solar power stations have not yet commenced. Construction projects in early stages are always subject to significant risks and the acquisition of the expected value depends upon the successful implementation of the construction projects. Construction projects entail risks relating to procurement of building permits and clearances and other necessary government approvals, procurement of the construction contract, the completion of the construction etc. There is a risk that the projects are delayed for various reasons, for example due to the cost of the projects may overrun the estimated budget. The projects may be aborted or become more expensive and thereby yield less profits than what is estimated by the Issuer, which may have a material adverse effect on the Group's operations, results and financial position, which may impact the Issuer's ability to repay the Bond Financing.

The Group's dependence on material agreements

The Group is dependent on the entering into rooftop agreements, i.e. agreements with property owners (a "**Rooftop Owner**") for the installation of PV installations on the rooftop of the property and the Rooftop Owner's purchase of electricity from ASRE or LSE Suqian (as the case may be) which lapse for a minimum of 20 years (a "**Rooftop Agreement**"). The Rooftop Agreements may be terminated by the Rooftop Owner relying on one of the few termination events existing in the Rooftop Agreements, such as ASRE or LSE Suqian (as the case may be) failing to perform its obligations under the Rooftop Agreement to which it is a party, ASRE or LSE Suqian (as the case may be) becomes insolvent or is wound-up or that the Rooftop

Owner purchases the PV installation. There is a risk that in the event that the Rooftop Owner terminates the Rooftop Agreement which would have an adverse effect on the Group's business, financial condition or results of operations.

A number of the Rooftop Agreements provide for a 25-year lease term, which exceeds the longest lease term of 20 years allowed by PRC law. Therefore, this lease term may be deemed as invalid and be adjusted to 20 years. Any period above 20 years may be viewed as an open contract and, as such, may be terminated anytime by either party. The period exceeds 20 years is subject to agreement by the parties upon expiry of 20 years lease term. As a result, there is uncertainty in the Group's ability to generate revenue after 20 years under those Rooftop Agreements, which may have a negative effect on the Group's business and financial conditions.

A number of the Rooftop Agreements states that the lessee shall start or complete construction during a defined construction period. Some of these construction periods are inconsistent with the construction periods under the related EPC agreements. This may result in breach of the Rooftop Agreement while the EPC agreements are not breached. In such case the lessee may not be able to recover loss from the contractor, which would have an adverse effect on the Group's business and financial conditions.

Some Rooftop Owners own their property but do not apply for real property title certificates. Real property title certificate is the legal title document evidencing ownership of the property. This title document is very important for the owner to transfer, mortgage the property, or apply for bank loans based on the property. Without the real estate title certificate, use of the property will not be affected but the real estate cannot be transferred or mortgaged. It is possible that disputes may arise over the ownership of the property if there is no real property title certificate.

Risk factors (cont.)

Furthermore, some Rooftop Owners have mortgaged their property to other parties. The mortgage will not affect the validity of the Rooftop Agreements. However, in the event that such mortgage is enforced by the relevant mortgagee, the operation of PV installations could be adversely affected and therefore the Group's proceeds or results of operations could be adversely affected.

In addition, there is no assurance that the Rooftop Agreements will be duly performed by the Group's counterparties. Some of the Group's counterparties may have failed to perform their obligations to some of their creditors. If the Group's counterparties do not duly perform their obligations under the relevant Rooftop Agreements, or at all, the Group's business, financial condition or results of operations could be materially and adversely affected.

Risks from legal and arbitration proceedings

As of the date of this presentation, there are no existent or pending legal or arbitration proceeding to which any member of the Group is a party. Nevertheless, it cannot be ruled out that the Group or any of its members will not be involved in a legal or arbitration proceeding in the future. In the event of such proceeding, subject to the cause of the action and the judicial system of the state of the forum, the non-pledged assets of the Group or its member might be attached or enforced, which might bring an adverse impact on the business of the Group or its member, or on the Bondholders remedy under the Terms and Conditions. Nor can it be ruled out that the relevant member of the Group could lose such a proceeding and there is a risk that such loss would have an adverse on the Group's business, financial condition or results of operations.

Use of agents

ASRE and LSE Suqian have both elected to use a selected number of ASP's agents/distributors to market, sell, install and service ASRE's and LSE Suqian's solar power stations on ASRE's and LSE Suqian's customers' rooftops. The

installation procedure is safeguarded by ASP acting as EPC contractor and using its agents/distributors as subcontractors. As a result, this creates uncertainties since ASRE and LSE Suqian do not hold these relationships themselves and therefore needs to rely on ASP's network. This model needs to continuously be evaluated in order to address the development phase that ASRE and LSE Suqian may be in at the time of evaluation. Should ASRE and/or LSE Suqian in the future not be able to use ASP's agents/distributors or work directly with ASP's network of agents/distributors or be able to replace such agents/distributors within short notice this would have an adverse on the Group's business, financial condition or results of operations.

Risks relating to filing with National Development and Reform Commission (NDRC)

Under PRC law, project owners shall obtain NDRC filing documents before commencing the construction of a solar project, and shall conduct the amendment filing if the location of the project, the scale of the construction or the content of the construction is amended. One of the Group's solar project does not have a NDRC filing document and construction have not been commenced, and the NDRC filing documents in some solar projects were obtained after the date of the corresponding EPC contracts. There is a risk that these projects may commence or that construction have commenced without or prior to obtaining the relevant NDRC filing documents. Furthermore, in some of the Group's solar projects, the address of the project in the Rooftop Agreement and/or real estate certificate and/or power purchase agreement is different from the address of the project in the corresponding NDRC filing document. It is possible that the location of such project has been changed but the relevant project owner does not complete amendment filing with NDRC. In addition, in some of the Group's solar projects, the installed capacity is smaller than the capacity specified in the corresponding NDRC filing

documents. It is possible that the scale and construction content of this project has been changed but the relevant project owner does not complete the amendment filing with NDRC. Any of the above issues may result in a fine of RMB 20,000 to RMB 50,000 on the relevant project owner (i.e. LSE Suqian, ASRE and any of its subsidiaries). Should the any Group Company be fined, the Group's business, financial condition or results of operations could be materially and adversely affected.

Discrepancies between the estimate capacity and the capacity connected to the grid

In the solar projects, the actual capacity connected to the grid may be a bit smaller than the estimate capacity specified in the NDRC filing document or a Rooftop Agreement due to the normal loss during the connection process. For any solar projects of the Group that have not been connected to the grid, there is a risk that the actual capacity connected to the grid may be a bit smaller than the estimate capacity and therefore a bit less subsidies or power fees will be paid to LSE Suqian, ASRE and any of its subsidiaries than expected.

Risks relating to lack of power purchase agreement and grid connection acceptance notice

Certain project has been connected to the grid while power purchase agreement with the grid company has not been signed yet. There is a potential risk that the grid company may refuse to pay subsidies or fees due to the lack of the power purchase agreement, which may affect the Group's financial conditions.

Risk factors (cont.)

RISKS RELATING TO THE BONDS

Credit risk

The Bondholders carry a credit risk towards the Issuer. The Bondholder's ability to receive payment under the Bonds is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Issuer's, ASRE's and LSE Suqian's operations and financial position. The Issuer's, ASRE's and LSE Suqian's financial position is affected by several factors of which some have been mentioned above. There is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' value negatively. Another aspect of the credit risk is that there is a risk that a deteriorating financial position of the Issuer will reduce the Issuer's possibility to receive debt financing at the time of the maturity of the Bonds.

Additional Interest rate risks

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The Bonds will bear a floating rate interest of 3 month STIBOR (in respect of Bonds denominated in SEK), NIBOR (in respect of Bonds denominated in NOK) or EURIBOR (in respect of Bonds denominated in EUR), plus a margin and the interest rate of the Bonds will be determined two business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group's control. Further, the Bonds will be denominated in different currencies with a fixed margin but different reference rates (i.e. 3 month STIBOR, NIBOR and EURIBOR). As the reference rates will fluctuate over time, it is likely that the interest rate on the Bonds in the different

currencies will vary, resulting in that the relative claims under the Bonds as compared to the date of the issuance of the Bonds will vary over time. Pursuant to the Terms and Conditions, proceeds from an enforcement of transaction security shall be distributed towards payment of accrued but unpaid interest under the Bonds pro rata on the outstanding claims under the Bonds before any payment of principal, meaning that there is a risk that, if the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bond, certain Bondholders could receive a higher amount due to the fluctuations in the reference rates than others.

Benchmark Regulation

The process for determining LIBOR, EURIBOR, STIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has applied. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting

regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of benchmark that is used for the Bonds, it could potentially have negative effects for the Bondholders.

Ability to comply with the Terms and Conditions

The Issuer is required to comply with the Terms and Conditions to, *inter alia*, pay interest under the Bonds. Events beyond the Issuer's control, including changes in the economic and business conditions in which the Issuer operates, may affect the Issuer's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in that the Issuer has to repay the bondholders at the applicable call premium. It is possible that the Issuer will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

Risks related to other debt

The Issuer has incurred debt under, *inter alia*, unsecured bond issues in the aggregated amount of SEK 346,000,000 and may incur additional financial indebtedness which will rank *pari passu* with the Bonds. Although the obligations under the Bonds and certain other obligations of the Group towards the Bondholders will be secured by first priority security, there is a risk that the proceeds of any enforcement sale of the security assets will not be sufficient to satisfy all amounts then owed to the Bondholders. Furthermore, if the Issuer issues subsequent Bonds, the security position of the current bondholders may be impaired. If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

Risk factors (cont.)

Risks relating to the transaction security

Although the Group's obligations towards the Bondholders will be secured by a pledge over the Downstream Loans provided from the Issuer to ASRE and LSE Suqian and the shares in ASRE and LSE Suqian, there is risk that the proceeds of any enforcement sale of the security assets could be insufficient to satisfy all amounts then owed to the Bondholders. Furthermore, according to the Terms and Conditions, the Issuer may issue subsequent Bonds and the holders of such Bonds will become bondholders entitled to share the security that have been granted to the existing Bondholders, although there is certain requirement for security for future bonds (such as maximum of debt amount, term of the period when new bonds will be issued). There is a risk that the issue of subsequent Bonds will have an adverse effect on the value of the security that have been granted to the Bondholders. In addition, new security will be created over new downstream loans to be provided in the future and new shares in ASRE and/or in LSE Suqian after capital contribution after each issue of the Bonds. These new security may not be able to cover previous bonds issue due to time gap or failure of perfection on time.

The security arrangement for the Bond Financing is structured so that the Bondholders will have a direct security interest in (i) the shares in ASRE, (ii) the shares in LSE Suqian, (iii) all Downstream Loans. ASRE and LSE Suqian will in turn secure its obligations under the Downstream Loans with a pledge over the PV installations (as described above) and the receivables under certain Rooftop Agreements (as described above), under which security, the Issuer will be the pledgee. The security provided by ASRE and LSE Suqian is consequently not directly securing the Bonds, but only the Downstream Loans. Any enforcement of the security provided by ASRE and/or LSE Suqian will thus require the assistance of the Issuer (being the pledgee in relation to that security) and the Bondholders will have to rely on the co-operation of the Issuer which cannot be

guaranteed upon a default or insolvency event. It should however be noted that the Bondholders have a security over shares in ASRE and LSE Suqian and in the event that the Issuer does not cooperate in a default scenario, there is a possibility to enforce the share pledge and sell the pledged shares in ASRE and/or LSE Suqian (where the assets are held).

The Bondholders will initially be represented by the Agent in all matters relating to the transaction security. There is a risk that the Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the transaction security. Further, the transaction security is subject to certain hardening periods during which times the Bondholders do not fully, or at all, benefit from the transaction security. In addition, the Agent is located in Sweden and a part of the transaction security for the Bonds are governed by the laws of the PRC. There may thus be difficulties for the Agent to pursue enforcement of the transaction security which may have an adverse effect on the possibilities to recover the value of the transaction security. The Agent is entitled to enter into agreements with members of the Group or third parties or to take any other action necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among other things, the Bondholders' rights to the security.

Risks related to failure to perfect security in the PRC

Under PRC laws, the mortgage over movable property such as a mortgage over the solar power facilities is established as of the effectiveness of the mortgage agreement. Failure to register the mortgage with the relevant PRC authority will not affect the validity of the mortgage itself. However, if the mortgage is not registered with the relevant PRC authority, it cannot be used against a *bona fide* third party. As a result, if the mortgage over solar facilities is not registered, there is a risk that the mortgaged assets may be mortgaged to any

other *bona fide* third party who does not know of the former mortgage agreement. If that other party registers the mortgage then that *bona fide* third party will have the priority to enforce the mortgage. Under PRC laws, a share pledge such as the pledge over the shares in ASRE and a pledge over receivables such as a pledge over the receivables under the Rooftop Agreements will be established when such pledge is registered with relevant authority. As a result, if the share pledge and the pledge over receivables are not registered, the Bondholders (as pledgees under the share pledge and the pledge over receivables under Downstream Loans) and the Issuer (as pledgee under the receivables pledge in relation to Rooftop Agreements) shall only have the right over the pledged assets on a contractual basis. This means that the pledgee will have the same right as any other normal creditor of the relevant pledgor and will not have any priority in having its claim paid. The pledgor may pledge the shares or the receivables for the benefit of a third party and register the pledge with relevant authority in order to perfect the security. In this case, the third party shall have the priority to enforce the shares or receivables.

With reference to the above, there is a risk that the transaction security will not be perfected if the Agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. Such failure could result in the invalidity of the relevant transaction security or adversely affect the priority of such security interest in favour of third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same transaction security. This may have an adverse effect on the value of the security that has been granted to the Bondholders and the Issuer. If the Issuer were to be unable to make repayment under the Bonds and a court was to render a judgment that the security granted in respect of the Bonds was unenforceable, there is a risk that the Bondholders could find it difficult or impossible to recover the amounts owed to them under the Bonds.

Risk factors (cont.)

Therefore, there could be a risk that the security granted in respect of the Bonds might be ineffective in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent. In addition, there is a risk that any enforcement could be delayed due to any inability to sell the security assets in a timely and efficient manner.

Risks related to enforcing security in the PRC

Pursuant to PRC Law, a secured creditor can enforce its security when either (i) the debtor fails to make a payment of the debts that become due or (ii) an event of default, as agreed between the parties in the security agreement, occurs. When enforcing a security, the beneficiary may enter into an agreement with the security provider that the beneficiary be given the priority in being paid with the money into which the security assets is converted or the proceeds obtained from auction or sale of the property. If their agreement prejudices other creditors' interests, the other creditors can, within one year from the day that they discovered, or should have discovered, the agreement, apply to the court for revocation. If the beneficiary and the security provider fail to agree on the realisation method of the security, the beneficiary shall apply to the court to sell or auction the mortgaged property. The security property shall be converted into money or be sold off by referring to its market price. In circumstance where the security provider challenges the existence or validity of security or the beneficiary's right to enforce such security (for example, on the ground that the obligor has not defaulted under the relevant finance documents), the beneficiary will have to start litigation or arbitration proceedings against the security provider to obtain a judgment or arbitral award. The beneficiary will then apply to the court to enforce the judgment or award. There is therefore a risk that the enforceability of such transaction security could be subject to a certain degree of uncertainty or that the enforcement of such security could be delayed. This may have an adverse effect on the value of the security that has been granted to the Bondholders and the Issuer (as mortgagee of the solar

facilities and the pledgee of the receivables in relation to Rooftop Agreements). If an insolvency procedure has started, enforcement of security given by the bankrupt debtor must be stayed until the liquidator takes over the bankrupt debtor's assets. This means the security enforcement will be delayed. The secured creditor's claim will be satisfied at the end of the bankruptcy proceedings from the proceeds of the realised security assets or the repayment by the guarantor. An unsecured creditor's claim will be satisfied at the end of the bankruptcy proceedings from the remaining assets of the bankrupt debtor in a *pari passu* ranking with other unsecured creditors. There may also be certain timing issue when enforcing a security in the PRC. PRC courts do not have enough resources, and, as such, there is a back-log of cases. This could mean that it could take time to enforce a security.

All of the above may have an adverse effect on the value of the security that has been granted to the Bondholders and the Issuer.

Risks related to enforcing rights under security across multiple jurisdictions

To enforce a foreign court judgment or an arbitration award in the PRC, the secured party shall first apply for the recognition and execution of the foreign judgment and arbitration award. Such foreign judgment or arbitration award will be examined by the PRC court in accordance with the international treaties concluded or acceded to by the PRC or with the principle of reciprocity.

There is a risk that the PRC court may not recognise or enforce the foreign judgment if the court decides that the foreign judgment or arbitration award contradicts the primary principles of the PRC laws or violates PRC state sovereignty, security and social and public interest of the country.

Recognition and enforcement of an arbitration award obtained outside the PRC may be refused by a PRC court,

at the request of the party against whom it is invoked, if that party furnishes to the competent authority where the recognition and enforcement is sought, proof that:

the parties to the agreement were, under the law applicable to them, under some incapacity, or the said agreement is not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law of the country where the award was made; or

the party against whom the award is invoked was not given proper notice of the appointment of the arbitrator or of the arbitration proceedings or was otherwise unable to present his case; or

the award deals with a difference not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration, provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, that part of the award which contains decisions on matters submitted to arbitration may be recognized and enforced; or

the composition of the arbitral authority or the arbitral procedure was not in accordance with the agreement of the parties, or, failing such agreement, was not in accordance with the law of the country where the arbitration took place; or

the award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the law of which, that award was made.

Recognition and enforcement of an arbitral award obtained outside the PRC may also be refused if the PRC court finds that (a) the subject matter of the difference is not capable of settlement by arbitration under the PRC law or (b) the recognition or enforcement of the award would be contrary to the public policy of the PRC.

Risk factors (cont.)

In addition, even the PRC court recognise the foreign judgment or arbitration award, due to the uncertainties of the PRC legal system, the procedure to enforce a judgment or arbitration award would become time consuming. There is therefore a risk that transaction security granted to secure the Bonds could be unenforceable or enforcement of the security could be delayed according to applicable laws. This may have an adverse effect on the value of the security that has been granted to the bondholders.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, negative publicity, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer's operating results, financial condition or prospects.

Liquidity risks and secondary market

The Issuer intends to apply for a listing of the Bonds on a regulated market or a multilateral trading facility ("MTF") within 60 days (with an intention to complete such listing within 30 days) from the issue date. However, there is a risk that the Bonds will not be admitted to trading. Further, even if securities are admitted to trading on a MTF or a regulated market, active trading in the securities does not always occur and hence there is a risk that a liquid market for trading in the Bonds will not exist or is maintained even if the Bonds are listed. This may result in that the Bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the

market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on a regulated market or MTF. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down or inefficiency of the relevant market or trade restrictions imposed on the market.

Ability to service debt

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Issuer's, ASRE's and LSE Suqian's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Issuer's, ASRE's and LSE Suqian's control. If the Issuer's, ASRE's or LSE Suqian's operating income is not sufficient to service its current or future indebtedness, the Issuer, ASRE and LSE Suqian will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Issuer, ASRE and LSE Suqian will not be able to affect any of these remedies on satisfactory terms, or at all. This would have a negative effect on the Issuer's operations, earnings, results and financial position.

Risks relating to the clearing and settlement in VPS's and Euroclear's book-entry system

The Bonds will be affiliated to Verdipapirsentralen's ("VPS") (in respect of Bonds denominated in NOK) and Euroclear's ("Euroclear") (in respect of Bonds denominated in SEK and EUR) account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds is carried out within VPS's and Euroclear's book-entry system as well as payment of interest and repayment of the principal. Bondholders are therefore dependent on the functionality of VPS's and Euroclear's account-based system.

Bondholders' currency risks

The Bonds will be denominated and payable in SEK, NOK or EUR. If the Bondholders measure their investment return by reference to a currency other than SEK, NOK or EUR, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the SEK, NOK or EUR, relative to the currency by reference to which investors measure the return on their investments. This could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

Put option

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) if (a) prior to an Equity Listing Event (as defined in the Term Sheet), the [Main Shareholders] (or an Affiliate (as defined in the Term Sheet), ceases to own, directly or indirectly (i) 50 per cent. of the shares and votes in the Issuer or (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer and (b) on or after an Equity Listing Event, the occurrence of an event or series of events whereby on or more persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), acting together, acquire control over the Issuer and where "control" means (i) acquiring or controlling, directly or indirectly, more than 30 per cent. of the voting shares of the Issuer or (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

Risk factors (cont.)

There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

Risks related to early redemption of the Bonds

Under the Terms and Conditions for the Bonds, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions for the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

No action against the Issuer and bondholders' representation

In accordance with the Terms and Conditions for the Bonds, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions for the Bonds), which could negatively impact an acceleration of the Bonds or other action against the Issuer. To enable the Agent to represent bondholders in

court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the Terms and Conditions for the Bonds, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Terms and Conditions for the Bonds in a manner that is undesirable for some of the bondholders.

The rights of bondholders depend on the Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds will be subject to the provisions of the Terms and Conditions for the Bonds, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions for the Bonds are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders. The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions for the Bonds. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that the successor Agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it. There is

a risk that materialisation of any of the above risks will have a material adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds.

Bondholders' meetings

The Terms and Conditions for the Bonds include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions for the Bonds allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, there is a risk that the actions of the majority in such matters will impact a bondholder's rights in a manner that is undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired. Restrictions relating to the transferability of the Bonds could have a negative effect for some of the bondholders.

Risk factors (cont.)

Change of law

The terms and conditions of the Bonds are governed by Swedish law in effect as at the date of issue of the Bonds. The Bonds will be registered with VPS pursuant the Norwegian securities laws and Euroclear pursuant to Swedish securities law (as applicable). No assurance can be given as to the impact of any possible judicial decision or change to Swedish or Norwegian law or administrative practice after the date of issue of the Bonds.

The Group faces a number of operational risks associated with the development of new solar projects

The Group's new solar projects may not be completed according to planned schedules or be completed at all and may not generate the levels of expected revenue or contemplated investment returns.

The projects the Group undertakes typically require substantial capital expenditures during construction and usually take many months to generate proceeds in cash. The time required and the costs involved in completing construction can be affected by many factors, including shortages of construction materials, equipment or labour, adverse weather conditions, natural disasters, delays or failures in performance by the Group's contractors, labour disputes, disputes with contractors and subcontractors, accidents, changes in governmental priorities and other circumstances.

Construction delays may result in significant losses of revenue and increase in costs. There can be no assurance that the Group's future projects will be completed on time, or at all, and generate satisfactory returns.