

**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 2022 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 25 JANUARY 2024.

### ***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.**

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**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/AUTHORISATION<sup>1</sup>**

**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 Person<sup>2</sup>: \_\_\_\_\_

Nominal Amount<sup>3</sup>: \_\_\_\_\_

Grantor of authority<sup>4</sup>: \_\_\_\_\_

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 of<sup>5</sup>: \_\_\_\_\_

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 through<sup>6</sup> \_\_\_\_\_

Date:

Signature

\_\_\_\_\_

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<sup>1</sup> 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.

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

<sup>3</sup> Insert the aggregate nominal amount the Authorized Person should be able to vote for.

<sup>4</sup> Insert the name of entity/person confirming the authority.

<sup>5</sup> The total Nominal Amount the undersigned represents

<sup>6</sup> 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](mailto:max.metelius@advancedsoltech.com)

and

Frederic Telander

[Frederic.telander@advancedsoltech.com](mailto:Frederic.telander@advancedsoltech.com)

*To the Trustee:*

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

**Stockholm on 16 December 2022**

**Intertrust (Sweden) AB**

**as Trustee**