

Press Release

As previously announced in Swedish:

Climatenza signs framework agreement with Absolicon to acquire production line in India

Climatenza has signed a framework agreement with Absolicon to acquire a production line for the T160 Solar collector in northern India. Climatenza is based in New Delhi and runs renewable energy projects for the industrial sector. The total sales value covered by the agreement is estimated at € 4-5 million plus a monthly license fee of 4 % and sales of components. The framework agreement provides for the principles of the separate agreements to be drawn up.

Content of the framework agreement

The framework agreement describes the separate agreements to be drawn up in the process. Absolicon's proceeds from the sale can be grouped into three groups: acquisition of the line, license revenue and revenue from material sales.

1. Sale of the production line

The production line is of the same model as Absolicon has in Sweden and which the company has already delivered to Sichuan Province. The line with two six-axis robots has the capacity to produce 50 MW solar collectors (100,000 m²) per year. Together with the hardware, Absolicon provides consulting support for marketing and technical support, development and technical training.

The total value of hardware and activities covered by the agreement is estimated at € 4-5 million.

2. License to manufacture T160

For the right to manufacture T160 under Absolicon's intellectual property protection, take part in future product development and use Absolicon's trademark, a monthly license fee of approximately 4% applies to the sales value.

The production line in full production produces on a shift 50 MW solar collector (100 000 m²) per year with sales value € 20-25 million which with 4% license fee would mean about € 800 000 per year in license revenue. Absolicon's estimate, however, is that it will take time for Climatenza to develop the solar thermal market for industries in the region so that these volumes can be achieved.

3. Material supply

Through the agreement, Absolicon ensures access to patented components and high quality inputs partly manufactured in India or locally at the installation site.

At full production, the production line needs to buy materials for € 10-15 million per year where 30% - 40% of purchases may go through Absolicon and 60 % - 70 % from local subcontractors. The outcome for Absolicon depends to some extent on the result of Absolicon's ongoing material investment.

The framework agreement sets out overarching principles

The framework agreement provides for the overall principles for the separate agreements to be drawn up and the steps to be taken before a binding agreement for the acquisition of the production line can be signed. The estimated value is subject to change as well as the final design of the production capacity of the production line. Absolicon estimates today that the sales value of the agreement is at the lower end of the range of € 4-5 million.

If Climatenza fails to meet its commitments at every stage, they lose the right to complete the acquisition and are then able to recover part of the purchase price, but never for Absolicon's incurred costs.

Market potential

The production line is planned in northern India which houses many places with very high solar radiation. The potential market in India, for a production line producing Absolicon's T160 solar collector, rises to 3,000 million square meters, equivalent to 540 million solar collectors or 2,000 TWth (42% coal, 15% oil), which would reduce the country's CO₂ emissions from the industry by up to 40% when oil is replaced as fuel (source: International Energy Agency).

The collaboration is based on Climatenna's established contacts in the region and the rest of India, as well as on the company's expertise in heat storage and research collaborations.

Climatenza is conducting research projects in India to develop new thermal heating storage technology that can be integrated with solar concentrators, like Absolicon's T160.

The largest market segments for Absolicon's solar collector technology in the region are:

- Textile industry
- Dairy industry
- Food and beverage industry
- Chemical industry
- Automotive industry

Next steps

Contact with Climatenza has been ongoing since 2018 and after exploring the market for about a year, they are now ready to take the next step and sign a framework agreement with Absolicon. Discussions have just begun on the first pilot installations of the T160 in northern India. More detailed contract writing is now taking place. Payment is made step by step in the same way as in the previous sale of the production line to the province of Sichuan.

Joakim Byström CEO

Absolicon Solar Collector AB

Email: joakim@absolicon.com

phone: 0611-35 08 00

Press photos: <http://www.absolicon.se/nyheter/pressbilder/>

Absolicon is a listed Swedish solar energy company, specializing in concentrated solar heating. The T160 solar collector works up to 160°C and has the highest optical efficiency ever measured for a commercially available small parabolic trough. Absolicon has achieved groundbreaking performance and delivered a first production line to the Chinese province of Sichuan and built a robotized production line in Sweden for demonstration for interested customers and for own production of solar collectors.